

By Mr. SMITH of Minnesota: A bill (H. R. 18250) granting an increase of pension to Mathias Logelin; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 18251) granting a pension to Alfred E. Schuster, alias Alfred E. Raymond; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of certain commercial organizations of Oregon, Washington, and Idaho, urging the passage of the rivers and harbors bill; to the Committee on Rivers and Harbors.

Also (by request), petitions signed by certain citizens of Connecticut, urging the passage of the Hobson prohibition amendment; to the Committee on Rules.

By Mr. ASHBROOK: Petitions of 152 citizens of Wooster College, Wooster, Ohio, favoring House joint resolution 282, to investigate claims of Dr. F. A. Cook to have discovered the North Pole; to the Committee on Naval Affairs.

By Mr. BAILEY: Petition of Woman's Home Missionary Society of the Methodist Episcopal Church, Bedford, Pa., against H. R. 16804; to the Committee on the District of Columbia.

By Mr. BELL of California: Petition of members of the James A. Garfield Circle, No. 55, of the Grand Army of the Republic, Department of California and Nevada; to the Committee on the Judiciary.

Also, petition of 200 people of the Boyle Heights Christian Church and 200 people of University Christian Church, Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

By Mr. CRAMTON: Protests of Frank Pretty and 60 other citizens, against any legislation affecting the sale of household remedies, etc., by wagon; to the Committee on Interstate and Foreign Commerce.

Also, petitions of D. R. & I. Brown and 14 other business houses, of Deckerville; J. D. Clark and 7 other business houses, of Elkton; Bad Axe Lumber Co. and 9 other business houses, of Bad Axe; the Mihlethaler Co. and 11 other business houses, of Harbor Beach; the Wahla Mercantile Co. and 9 other business houses, of Minden City; F. E. Kelly and 9 other business houses, of Sandusky; Knox Dry Goods Co. and 26 other business houses, of Port Huron; Recor & Smith and 16 other business houses, of St. Clair; Blood & Hart and 10 other business houses, of Marine City; Chris Schlosser estate and 4 other business concerns, of New Baltimore; J. D. Crosby & Son and 6 other business concerns, of Cass City; P. L. Graham and 10 other business houses, of Crosswell; C. M. Livingston and 4 other business concerns, of Owendale; Vaughan & Clark and 7 other business concerns, of Gagetown; C. A. Stockmyer and 3 other business houses, of Caseville; John Kuhn & Co. and 20 other business concerns, of Mount Clemens; Reid & McCabe and 3 other business concerns, of Emmett; Charles F. Walker and 4 other business concerns, of Dryden; Ira H. Hubbell and 5 other business concerns, of Applegate; F. L. Chubb and 4 other business concerns, of Berville; William Will and 8 other business concerns, of New Haven; the Neddemeyer Co. and 10 other business concerns, of Richmond; the Palms Hardware Co. and 1 other business concern, of Palms; Frank A. Brown and 8 other business concerns, of Uby; George B. Dewar and 5 other business concerns, of Kinde; James Cartwright and 4 other business concerns, of Port Austin; A. L. Bruce and 3 other business concerns, of Deford; I. L. Berman and 5 other business concerns, of Kingston; L. H. Willson and 5 other business concerns, of Clifford, all in the seventh congressional district of Michigan, asking the passage of House bill 5308, to compel mail-order houses to contribute to the development of the local community, county, and State; to the Committee on Ways and Means.

Also, protests of Moritz Meiers and 10 other citizens of Mount Clemens, Mich., against the adoption of the Hobson resolution, submitting the question of national prohibition to the legislatures of various States; to the Committee on Rules.

Also, resolutions of the Michigan State Association of Post Office Clerks, in support of House bill 15222, for compensation of civil-service employees injured in the course of duty; to the Committee on the Judiciary.

Also, protests of Thomas Hyslop, of Millington; A. T. Kerr, of Vassar; W. C. Blair, of Lapeer; and Irwin W. Lennox, W. H. Reid, and Mrs. F. E. Crippen, against the proposed Lane amendment to House bill 6282, relative to sale of narcotics; to the Committee on Ways and Means.

By Mr. DERSHEM: Petitions of 2,800 citizens of Waynesboro and 174 citizens of Yeagertown, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. FITZGERALD: Petitions of Brooklyn Deaconess Home of the Methodist Episcopal Church, Brooklyn; Christian Endeavor Union and sundry citizens of Brooklyn; and 34 citizens of the State of New York, favoring national prohibition; to the Committee on Rules.

Also, memorial of board of trustees of the Western Society of Engineers, of Chicago, Ill., protesting against House bill 13457, relative to United States geographical surveys; to the Committee on Expenditures in the Interior Department.

Also, memorial of United German Societies of the District of Columbia, favoring opening of the Washington Monument on Sundays and holidays; to the Committee on Public Buildings and Grounds.

Also, memorial of General Post Office Letter Carriers' Mutual Benefit Association of New York, protesting against section 6 of House bill 12928; to the Committee on the Post Office and Post Roads.

By Mr. GILL: Petitions of sundry citizens of St. Louis, Mo., protesting against national prohibition; to the Committee on Rules.

By Mr. GREGG: Papers to accompany Senate bill 544, a bill for the relief of the Virginia Military Institute, of Lexington, Va.; to the Committee on Claims.

By Mr. HAMILTON of New York: Petitions of Pomona Grange, of Randolph, and citizens of Jamestown, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Seattle, Wash., favoring national prohibition; to the Committee on Rules.

Also, memorial of Willapa Harbor Trades and Labor Council, of Raymond, and sundry citizens of Tacoma, Wash., protesting against national prohibition; to the Committee on Rules.

By Mr. KONOP: Petitions of Emil Pots and others of the State of Wisconsin, protesting against national prohibition; to the Committee on Rules.

By Mr. O'SHAUNESSY: Petition of citizens of the State of Rhode Island, favoring the Bristow-Mondell resolution enfranchising women; to the Committee on the Judiciary.

By Mr. PATTON of Pennsylvania: Petition of voting citizens of Irvona Borough, Clearfield County, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of the First Baptist Church of New Haven and sundry citizens of the State of Connecticut, favoring national prohibition; to the Committee on Rules.

By Mr. ROTHERMEL: Papers to accompany bill granting pension to Henry Doll; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: Petition of sundry citizens of Weldona and Las Animas, Colo., favoring national prohibition; to the Committee on Rules.

By Mr. UNDERHILL: Petition of citizens of Elmira, N. Y., favoring national prohibition; to the Committee on Rules.

#### SENATE.

THURSDAY, August 6, 1914.

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

Our heavenly Father, we look to Thee as the source of all wisdom and holiness and power. We humble ourselves under Thy mighty hand, and commit ourselves to Thy divine leadings. May we discharge all our obligations in the light of Thy perfect law. We pray for our rulers; and may the angels of mercy hover over the home where dwells our Chief Magistrate. May Thy kind Providence dispel the gloom that has entered there, and be present in healing strength and restorative power. We ask it in the name of Jesus our dear Savior. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. BRANDEGEE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR ELIHU ROOT.

Mr. BRANDEGEE. Mr. President, I send to the desk a tribute from a great Democratic daily newspaper to a great Republican Senator, the senior Senator from New York [Mr. Root], and I ask unanimous consent that the Secretary may read it.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. O'GORMAN. I did not hear the request.

Mr. BRANDEGEE. I have asked unanimous consent that the Secretary may read to the Senate the tribute of a great Democratic daily newspaper to a great Republican Senator, the colleague of the Senator from New York.



Mr. O'GORMAN. I shall be very glad to hear it.

The VICE PRESIDENT. There being no objection, the Secretary will read as requested.

The Secretary read as follows:

[From the New York Times, Thursday, July 30, 1914.]

"Senator Roor's letter announcing that he would not be a candidate for reelection to his present office lacks nothing in positiveness. It was everywhere accepted as the expression of a firm resolve. The country's response was remarkable. In near and distant States, in every part of the Union, newspapers representing the best public opinion, men of all parties, men who have worked with Mr. Roor, and men who have striven against him, spoke in terms of the highest praise of his great abilities and distinguished public service and united in a common expression of regret that he would soon cease to be a Member of that body to whose debates he has made so many and so rich contributions. Mr. Roor's adherence to his purpose to be content with the private station would be cause of regret more general and profound than has been awakened by the retirement from public life of any statesman of our time. The effort to persuade Mr. Roor against the determination of his own mind may seem to be ungracious, yet there are reasons of great weight and moment why it should be made, why so long as any hope remains all the forces of appeal and persuasion should be availed of.

"Wordsworth's tribute to the memory of Milton may with perfect truth and propriety be paid to ELIHU ROOR still living. The country has need of him, his own State has need of him, the people he has served more faithfully than they have at all times been aware of have need of him. It is a continuing need, and the Times will not shrink from adding to the ungraciousness of its appeal by saying to Mr. Roor not merely that his work is not yet finished, but that his whole duty has not yet been performed. Of one whose service has been so great that it is much to say, but we say it not as a reproof but as an exhortation. To one less great than the New York Senator it would not be said at all.

"Our national practice and policy have undergone a profound change that had its beginnings in the enactment of the interstate-commerce law and of the antitrust law. The industries and the commerce of the country had enjoyed almost unlimited freedom, the great builders of the Nation's prosperity had been almost entirely unhampered. Abuses had grown up and the time came when the people presented their effective demand for new laws and new conditions. The spirit that brought about that change has made fresh demands, and fundamental modifications of our earlier system have either been accomplished or are under way. The wish and purpose to bring the business of Government and the affairs of party more directly within the control of the people themselves have found expression in many new statutes. It is a perfectly well-known historical truth that when changes of that kind are once begun the tendency is to go both too fast and too far. The statesman who wisely guides the reforming spirit, who seeks to check and control it when checks and control are needed, serves his country not less worthily than the initiators of reform. New men, their zeal outrunning their knowledge, their wisdom, and their experience, must be balanced by those qualified for the task. The service is not one of reaction, it is one of guidance and conservation.

"For that service ELIHU ROOR is qualified above any other living American. His extraordinary abilities, the clearness of his mind, his power of insight, his broad experience, his learning as a constitutional lawyer and as a man of affairs equip him as no other statesman of our time is equipped to take part in the final organization and shaping of the new order. For this, beyond question, the country has urgent need of him, but it needs in all its great undertakings and at every stage of its progress his ripe judgment and the fruits of his large experience. In our foreign relations we can not lightly dispense with the knowledge and sagacity of the man who was one of our greatest Secretaries of State.

"Mr. Roor's party has need of him, and that is only another way of presenting the country's need. The Democratic Party is in power, but the true advantage of that party and the welfare of the country will be best served by the existence of a strong opposition. The disorganization of the Democratic Party in the years following 1896 bred disaster for the Republicans. For this reason Democrats and Republicans alike should welcome Mr. Roor's consent, if it can be obtained, again to be a candidate for the Senate. The pride and interest of the State of New York demand his continuance in its service if he can be persuaded. Of his election, should he consent to let his name go before the people, we believe there could be no doubt. If it be true, as President Wilson said the other day, that the temper

of the people has undergone some change and that their attitude toward public questions much discussed of late has been modified, we are convinced that the views and wishes they now entertain would find emphatic expression in the vote cast for Mr. Roor. The voters of New York would hardly consent to set aside the greatest man now in public life in favor of some lesser aspirant. Mr. Roor would be elected. His State and the country sincerely hope that he will consent to enter the contest and perform the service."

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 23. An act for the relief of Clara Dougherty, Ernest Kubel, and Josephine Taylor, owners of lot No. 13; and of Mary Meder, owner of the south 17.10 feet front by the full depth thereof of lot No. 14, all of said property in square No. 721, in Washington, D. C., with regard to assessment and payment for damages on account of change of grade due to the construction of Union Station, in said District.

S. 6031. An act authorizing the Board of Trade of Texarkana, Ark.-Tex., to construct a bridge across Sulphur River at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas;

H. R. 11822. An act to acquire by purchase, condemnation, or otherwise, additional land for the post office, courthouse, and customhouse in the city of Richmond, Va.;

H. R. 15959. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 16345. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; and

H. R. 17482. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

#### PERSONAL STATEMENT.

Mr. STONE. Mr. President, I ask the consent of the Senate to make a brief statement.

On yesterday the senior Senator from Mississippi [Mr. WILLIAMS] asked to be relieved from further service upon the Committee on Foreign Relations. Personally I regret that the Senator from Mississippi took this course, and I am sure that that regret is shared by every member of the committee. There is no member of the committee who does not entertain a warm friendship and high personal regard for the Senator from Mississippi. All recognize and appreciate his ability, his learning, and his usefulness as a public servant.

The reasons assigned by the Senator for making his request, I am sure, on reflection, he would not adhere to as expressing his real convictions. There is no member of the Committee on Foreign Relations, much less the committee as a whole, who seeks in any wise to antagonize any effort made by the President or by any other person to promote the peace of the world or to provide means for facilitating the transportation of the products of this country to the various markets of the world. The statement made by the honorable Senator is so unreasonable and unwarranted that I am confident, as I have just said, that the Senator himself will not be willing that the reasons he assigned on yesterday for withdrawing from the committee should stand as a correct expression of his own opinions and convictions.

Mr. President, speaking for myself, I hope the Senator will reconsider what he has done, in so far as withdrawing from the committee is concerned, and that the committee may continue to have the benefit of his wise counsel and valuable services.

#### PETITIONS AND MEMORIALS.

Mr. CHAMBERLAIN. I present a telegram from the Portland Chamber of Commerce with reference to the river and harbor bill, and I ask that it may be read.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

PORTLAND, OREG., July 31, 1914.

HON. GEORGE E. CHAMBERLAIN,

For Oregon Congressional Delegation,  
Care United States Senate, Washington, D. C.:

The following resolutions were unanimously passed at meeting called by the Portland Chamber of Commerce, at which were delegates from the Chamber of Commerce of Marshfield, Eugene, The Dalles, Salem, Astoria, Hermiston, and other places:



"Resolved, That the commercial organizations, representing all interests and every part of the Northwest, in convention assembled, urge the Senators representing these States to use every honorable means to pass the pending river and harbor bill.

"Resolved further, That the failure to pass this bill at this session of Congress will be in a very real sense a public calamity and retard development of the entire Pacific coast section, as well as occasion direct loss to the Government by reason of stoppage of work and necessary deterioration of plant and work already done.

"Resolved further, That we believe our representatives are justified and we urge them to refuse to adjourn Congress until a vote is taken on the river and harbor bill as a whole.

"Resolved further, That by reason of the fact that the port of Portland, the port of Astoria, and the port of Coos Bay have this year contributed directly large sums to aid in work now in progress at the mouth of the Columbia and Coos Bay we feel good faith on the part of the General Government requires it to continue the work which has thus been maintained by money raised by taxation of our local community.

"Resolved, That copies of this resolution be sent to the Senators and Representatives of all the Pacific Coast States and Idaho, Montana, and Nevada."

PORTLAND CHAMBER OF COMMERCE,  
By A. H. AVEILL, President.

Mr. CHAMBERLAIN. I present resolutions unanimously adopted by the Presbyterian Synod of Oregon, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

At its meeting in Eugene July 11 the Presbyterian Synod of Oregon unanimously adopted the following resolutions:

"Whereas certain statements have been sent broadcast over the State of Oregon as if emanating from the hop growers, which represent the Presbyterian Church and some of its ministers as being opposed to the attempt to make Oregon dry: Therefore be it

"Resolved, First, that the Synod of Oregon hereby reaffirms all of its former deliverances on the subject of temperance.

"Resolved, Second, that the Synod of Oregon declares itself most emphatically in favor of both State and National prohibition.

"Resolved, Third, that we most earnestly indorse the Oregon dry amendment now pending before the voters of Oregon, and also the Sheppard-Hobson amendment for national prohibition, and we urge for each of them the votes, the prayers, the influence, and the utmost effort of our people.

"Resolved, Fourth, That these resolutions be spread upon the minutes, a copy given to the press of the State, and a copy sent to Congressman RICHMOND P. HOBSON, United States Senator MORRIS SHEPPARD, and to each of the United States Senators and Congressmen from this State, with request that they vote for and push this measure.

"Whereas all past experience demonstrates that voting territory dry greatly increases accessions on confession of faith; and

"Whereas we therefore have not only a clear duty to aid morals and righteousness in voting Oregon dry this fall, but also the impulsion of enlightened self-interest; and

"Whereas we are also in the midst of a campaign for national prohibition by amendment of the Federal Constitution, a measure needful to the complete protection of local dry territory: Therefore be it

"Resolved, First, that we urge the support of the Sheppard-Hobson amendment by letters, telegrams, and petitions, individually and collectively, from our churches, Sunday schools, Christian Endeavor and other societies, to our Senators and Congressmen.

"Resolved, Second, that we pledge to the State campaign our voices, votes, influence, time, effort, and the fullest financial support possible.

"Resolved, Third, that we recommend the creation of a committee of three pastors and three elders located in or near Portland to confer with other temperance agencies and to place such of our men as the board of temperance sends into the field in the places where they are most needed and where they can do most effective work.

"Resolved, Fourth, that we urge the General Board of Temperance to expend of its funds as largely as possible in this State. Some States are already assured of victory; some are equally sure of defeat. Oregon hangs in the balance. Here both need and opportunity are greatest.

"Resolved, Fifth, that the General Board of Temperance be asked to confer with this synodical committee as to the manner of expending all of the aid which it may give to this State.

"Resolved, Sixth, that we urge that the final registration period (September 24 to October 15) be made a State-wide booster time for citizenship, with registration for voting the 'acid test,' and that all organizations be invited to join in this. Let us remove the Oregon stigma of casting the vote of less than half of her qualified electors.

"Resolved, Seventh, that we urge all business men's organizations to refuse to be bulldozed into the position of aiding and abetting the 'wets.'

"Resolved, Eighth, that we recommend the work of the Antisaloon League, the Woman's Christian Temperance Union, our own church temperance society, and all unselfish efforts in support of the amendment for Oregon dry."

Mr. O'GORMAN. I send to the desk and ask to have read certain telegraphic communications from citizens of the country regarding the pending bill permitting the American registry of foreign-built ships.

There being no objection, the telegrams were read and ordered to lie on the table, as follows:

Hon. G. W. HITCHCOCK,  
United States Senate, Washington, D. C.:  
OMAHA, NEBR., August 5, 1914.

Resolutions of Omaha Grain Exchange.  
Whereas the State of Nebraska and adjoining States have just harvested the most abundant wheat crop known in the history of these States, a portion of which must find its market abroad; and  
Whereas, unless the Government of the United States takes prompt action it will be impossible, in view of the general war now prevailing in Europe, for foreign commerce to be handled and shipments of grain to be made for export; Therefore be it

Resolved by the Omaha Grain Exchange, That the Government at Washington be, and it is, earnestly requested to make every effort to at

once amend the navigation laws of the United States or take such other action as may be necessary to facilitate the exportation of American products by removing the restrictions on foreign vessels which wish to register under American laws or that wish to sail under the American flag. The exportation of American wheat at this time is a matter of vital importance to the agricultural interests of States lying in the Missouri Valley, and we earnestly urge that immediate steps be taken to enable their products to reach foreign markets.

Resolved, That a copy of these resolutions be transmitted to the President of the United States, the Secretary of State, and to the Senators from the State of Nebraska.

W. J. Hynes, president; F. P. Manchester, secretary; J. A. Cavers, Barton Millard, F. S. Cowgill, J. B. Swearingen, Frank H. Brown, W. J. Hynes, E. A. Cope, A. H. Bewsher, Ed P. Smith, members of board of directors of Omaha Grain Exchange.

Senator JAMES P. CLARKE,  
Washington, D. C.:  
BUFFALO, N. Y., August 4, 1914.

The marine engineers in the district of the Great Lakes protest against the enactment or suspension of any law that will permit persons to service as licensed engineer officers or deck officers in American vessels who are not citizens of the United States and licensed by the United States Steamboat-Inspection Service.

WM. S. BROWN,  
Manager Marine Engineers' Lake Business Beneficial Association.

Hon. J. W. ALEXANDER,  
Chairman Committee on Merchant Marine and Fisheries,  
House of Representatives, Washington, D. C.:  
NEW YORK, August 3, 1914.

In order to make your proposed bill for the admission to registry of foreign-built vessels more effective I suggest that the provision for the suspension of laws prescribing that watch officers of vessels registered with foreign trade shall be citizens of the United States be altered so as to provide that the suspension be for a period of years, for example, a period equivalent to that which is required for the admissions of aliens to citizenship instead of leaving the matter of such suspension to the Executive order of the President. The reason for this suggestion is that if a large number of vessels should be registered under the proposed law the scarcity of American officers would make it difficult, if not impossible, to find citizen officers in case the President should revoke the suspension of the law on short notice. The suspension therefore should be statutory and for such a period as would enable foreign officers to acquire American citizenship and thus qualify for officers on the new class of ships of American registry.

J. PARKER KIRLIN.

Hon. GEORGE C. PERKINS,  
United States Senate, Washington, D. C.:  
SAN FRANCISCO, CAL., August 3, 1914.

Owing to urgent existing circumstances and in order to permit Americans to continue marketing their crops and manufactured products, we are in favor of amending Panama Canal Act to permit all foreign vessels, irrespective of age, owned by American individuals or corporations, to obtain American registers, but limiting them to foreign trade only, excluding them from coastwise trade, as that trade is not affected by war conditions. To make this effective and to keep them permanently under our flag it will be necessary to permit such vessels to operate under same conditions of measurement, inspection, and crew as obtain under their present flags.

SAN FRANCISCO CHAMBER OF COMMERCE,  
C. F. MICHAELS, President.

Hon. GEORGE C. PERKINS,  
United States Senate, Washington, D. C.:  
SAN FRANCISCO, CAL., August 3, 1914.

Shipowners' Association of Pacific Coast, comprising vast majority of owners and operators of American vessels on Pacific coast, protest most vigorously against legislation permitting foreign-built vessels to engage in coastwise trade on either coast or between Atlantic and Pacific. No benefit can accrue to American shipping by such legislation, even in event of war, and great loss may be inflicted upon owners and operators of American-built vessels now engaged in these trades. Ask you to use all your influence and efforts to defeat any such proposed legislation.

SHIPOWNERS' ASSOCIATION OF PACIFIC COAST,  
OLIVER J. OLSON, President,  
W. F. SULLIVAN, Secretary.

Hon. JAMES P. CLARKE,  
Chairman of the Committee on Fisheries,  
United States Senate:  
BOSTON, MASS., August 5, 1914.

As American citizens and officers in the American merchant marine, we strongly protest the passage of the act admitting foreign-built ships to American registry and officered by aliens. Can furnish 100 marine engineers from Boston alone.

G. H. WILLEY,  
Secretary M. E. B. A., No. 59.

Hon. JOHN R. THORNTON,  
Senate Chamber, Washington, D. C.:  
NEW ORLEANS, LA., August 5, 1914.

Please use your best efforts to have Senate take quick action on merchant-marine bill, cutting out all useless debates on legal points, as it is important for American commerce to secure bottoms for transportation of merchandise. Enlist aid of our Representatives in same cause.

SOL WEXLER,  
President Whitney Central National Bank.

Hon. JAMES P. CLARKE,  
United States Senate, Washington, D. C.:  
SEATTLE, WASH., August 4, 1914.

Puget Sound Harbor American Association of Masters, Mates, and Pilots protest against the enactment or suspension of any law that will



permit persons to serve as masters, mates, or engineers on American vessels who are not citizens of the United States and holding a United States certificate of license.

Respectfully,

Capt. P. MULLEN, *Secretary.*

SAN FRANCISCO, CAL., August 5, 1914.

Senator JAMES P. CLARKE,  
Washington, D. C.:

Golden Gate Harbor, No. 40, A. A. of M. M. and P., seriously object to the suspension of any law permitting vessels flying the American flag to be manned by foreign officers. There are many American citizens licensed as masters, mates, pilots, and engineers by the United States Steamboat Inspection Service who are available. We therefore enter a protest against any law permitting any but licensed American officers to man American vessels.

W. S. TOFEN, *Secretary.*

CHICAGO, ILL., August 1, 1914.

CHAIRMAN OF THE COMMITTEE ON COMMERCE,  
United States Senate, Washington, D. C.:

The following resolution was adopted at a meeting of the foreign trade committee of the Chicago Association of Commerce to-day:

"Resolved, That the Chicago Association of Commerce, upon the recommendation of its foreign trade committee, urges upon the Congress of the United States the immediate enactment of such legislation as will most readily procure the registration under the American flag of such vessels as are not now so admitted to registration, and under such regulations as may be prescribed by the Secretary of Commerce."

EDWARD E. GORE,

*Acting President.*

JOHN J. ARNOLD,

*Vice President, Foreign Trade Division.*

SAN FRANCISCO, CAL., August 3, 1914.

Hon. JAMES P. CLARKE,  
United States Senate, Washington, D. C.:

Owing to urgent existing circumstances and in order to permit Americans to continue marketing their crops and manufactured products, we are in favor of amending Panama Canal act to permit all foreign vessels, irrespective of age, owned by American individuals or corporations to obtain American registers, but limiting them to foreign trade only, excluding them from coastwise trade, as that trade not affected by war conditions. To make this effective and to keep them permanently under our flag, it will be necessary to permit such vessels to operate under same conditions of measurement, inspection, and crew as obtain under their present flag.

SAN FRANCISCO CHAMBER OF COMMERCE,  
C. F. MICHAELS, *President.*

ASTORIA, OREG., August 5, 1914.

GEORGE E. CHAMBERLAIN,  
United States Senate, Washington, D. C.:

Referring to bill permitting foreign shipping to come under our flag, sentiment here strongly favors allowing such shipping to engage in intercoastal trade. Urgently request your influence to that end.

ASTORIA CHAMBER OF COMMERCE.

PORTLAND, OREG., August 5, 1914.

Hon. GEORGE E. CHAMBERLAIN,  
United States Senate, Washington, D. C.:

In admitting vessels to American register believe that I am voicing sentiment of majority of northwest lumbermen upon insisting that they be admitted to coastwise or coast to coast service. We need this tonnage to compete for trade on Atlantic coast, and hope you can help to that end.

F. H. RANSOM,

PORTLAND, OREG., August 4, 1914.

Hon. GEORGE E. CHAMBERLAIN,  
United States Senate, Washington, D. C.:

The interests of northwestern apple and pear growers, as well as those of every fruit grower in United States, are vitally involved in proposal to admit foreign vessels to American registry. Exports of fresh apples from United States average for last three years approximately two and half million barrels annually, including boxes figured at three to barrel. All but insignificant proportion this tonnage has been transported in foreign bottoms, principally British and German, with transportation available probably over 3,000,000 barrels, including boxes, will find market in Europe this season. Without it this surplus will be thrown back on domestic markets, with results possibly disastrous. We urge fullest protection for this important export.

NORTHWESTERN FRUIT EXCHANGE,  
A. P. BATHAM, *Vice President.*

Mr. THORNTON presented petitions of sundry citizens of Louisiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. CLARK of Wyoming presented petitions of 128 citizens of Saratoga, Wyo., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SHIVELY presented a petition of the City Council of Indianapolis, Ind., praying for the enactment of legislation providing for the retirement of aged and infirm civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

#### REPORTS OF COMMITTEES.

Mr. MARTIN of Virginia, from the Committee on Claims, to which was referred the bill (S. 5695) for the relief of the Southern Transportation Co., reported it without amendment.

Mr. WALSH, from the Committee on the Judiciary, to which was referred the bill (S. 6202) to repeal an act entitled "An act

to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes," asked to be discharged from the further consideration of the bill, and that it be referred to the Committee on Public Lands, which was agreed to.

Mr. CRAWFORD, from the Committee on Claims, to which was referred the bill (S. 1851) for the relief of the legal representatives of the estate of Henry H. Sibley, deceased, reported it without amendment, and submitted a report (No. 730) thereon.

#### DISTRICT COURT AT JONESBORO, ARK.

Mr. CULBERSON. From the Committee on the Judiciary I report back with an amendment to the bill (H. R. 2167) to amend an act entitled "An act to modify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, and I submit a report (No. 728) thereon. I call the attention of the Senator from Arkansas [Mr. CLARKE] to the bill.

Mr. CLARKE of Arkansas. Mr. President, the bill is not so wide in its scope as the title would indicate. It is a bill merely to change the time of holding court at Jonesboro, in the State of Arkansas. It will require but a minute or two to dispose of it, and I ask unanimous consent that it may be considered and acted upon at this time.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert:

That hereafter the terms of the United States district court for the Jonesboro division of the eastern district of Arkansas shall be held at Jonesboro on the first Monday in May and the fourth Monday in November.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to fix the time for holding the term of the district court in the Jonesboro division of the eastern district of Arkansas."

#### PENSIONS AND INCREASE OF PENSIONS.

Mr. SHIVELY. From the Committee on Pensions I report back favorably without amendment the joint resolution (H. J. Res. 288) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved May 2, 1914, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas by errors in printing the bill reported by the House Committee on Invalid Pensions upon H. R. 11269, approved May 2, 1914 (Private, No. 22), the designation of the military service of one James L. Ackley, late of Company L, First Regiment Wisconsin Volunteer Cavalry, was changed to read First Regiment Wisconsin Volunteer Infantry; and the designation of the military service of one Tobias Stiles, late of Company F, Fifty-fifth Regiment Pennsylvania Volunteer Infantry, was changed to read Fifth Regiment Pennsylvania Volunteer Infantry; and the designation of the military service of one James Rhykerd, late of unassigned, One hundred and eleventh Regiment New York Volunteer Infantry, was changed to read Eleventh Regiment New York Volunteer Infantry; and the designation of the military service of one John Carver, late of Company B, Thirteenth Regiment Tennessee Volunteer Cavalry, was changed to read Thirteenth Regiment Tennessee Volunteer Infantry; and the designation of the military service of one William A. Yantis, late of band, First Regiment Kentucky Volunteer Cavalry, was changed to read First Regiment Kentucky Volunteer Infantry; and the designation of the military service of one Jeremiah Dillane, late of Company G, First Regiment California Volunteer Cavalry, was changed to read First Regiment California Volunteer Infantry; and the designation of the military service of one William H. Warner, late of Company D, Fortieth Regiment New York Volunteer Infantry, was changed to read One hundred and fortieth Regiment New York Volunteer Infantry; and in the claim of Lucinda St. John, widow of James N. St. John, late of Company H, Twenty-sixth Regiment Indiana Volunteer Infantry, was changed to read Lucinda St. John, widow of John N. St. John: Therefore be it

Resolved, etc., That the paragraph in an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved May 2, 1914 (Private, No. 22, 63d Cong.), granting an increase of pension to one James L. Ackley, be corrected and amended so as to read as follows: The name of James L. Ackley, late of Company L, First Regiment Wisconsin Volunteer



Cavalry, and pay him a pension at the rate of \$40 per month in lieu of that he is now receiving.

That the paragraph in said act granting an increase of pension to one Elizabeth Stiles be corrected and amended so as to read as follows: The name of Elizabeth Stiles, widow of Tobias Stiles, late of Company F, Fifty-fifth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of \$20 per month in lieu of that she is now receiving.

That the paragraph in said act granting a pension to one Lucy A. Rhykerd be corrected and amended so as to read as follows: The name of Lucy A. Rhykerd, widow of James Rhykerd, late of unassigned One hundred and eleventh Regiment, New York Volunteer Infantry, and pay her a pension at the rate of \$12 per month.

That the paragraph in said act granting an increase of pension to one John Carver be corrected and amended so as to read as follows: The name of John Carver, late of Company B, Thirteenth Regiment Tennessee Volunteer Cavalry, and pay him a pension at the rate of \$24 per month in lieu of that he is now receiving.

That the paragraph in said act granting an increase of pension to one William A. Yantis be corrected and amended so as to read as follows: The name of William A. Yantis, late of band, First Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of \$40 per month in lieu of that he is now receiving.

That the paragraph in said act granting an increase of pension to one Catharine Dillane be corrected and amended so as to read as follows: The name of Catharine Dillane, widow of Jeremiah Dillane, late of Company G, First Regiment California Volunteer Cavalry, and pay her a pension at the rate of \$20 per month in lieu of that she is now receiving.

That the paragraph in said act granting an increase of pension to one William H. Warner be corrected and amended so as to read as follows: The name of William H. Warner, late of Company D, Fortieth Regiment New York Volunteer Infantry, and pay him a pension at the rate of \$36 per month in lieu of that he is now receiving.

That the paragraph in said act granting a pension to one Lucinda St. John be corrected and amended so as to read as follows: The name of Lucinda St. John, widow of James N. St. John, late of Company H, Twenty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of \$12 per month.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

#### MISSISSIPPI RIVER BRIDGE, MUSCATINE, IOWA.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 6134) granting the consent of Congress, to the Interstate Bridge & Terminal Co., of Muscatine, Iowa, to build a bridge across the Mississippi River, and I submit a report (No. 727) thereon. I call the attention of the Senator from Iowa [Mr. KENYON] to the report.

Mr. KENYON. I ask unanimous consent for the present consideration of the bill. It is a matter that will take no time.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.,* That the consent of Congress is hereby granted to the Interstate Bridge & Terminal Co., of Muscatine, Iowa, and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at a point suitable to the interests of navigation at or near Muscatine, in the county of Muscatine, in the State of Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The bill was reported to the Senate without amendment and ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Arizona:

A bill (S. 6218) to authorize the furnishing of a municipal water supply to cities and towns upon or in the vicinity of Federal or Indian irrigation projects; to the Committee on Irrigation and Reclamation of Arid Lands.

By Mr. THOMPSON.

A bill (S. 6219) granting an increase of pension to Melvin J. Ringler; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6220) granting an increase of pension to George M. Taylor;

A bill (S. 6221) granting an increase of pension to Burl Caton (with accompanying papers); and

A bill (S. 6222) granting an increase of pension to Hymellus Mendenhall (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Arizona:

A joint resolution (S. J. Res. 172) excepting the Reclamation Service from the operations of section 5 of the act of Congress approved July 16, 1914, to the Committee on Irrigation and Reclamation of Arid Lands.

Mr. CHAMBERLAIN. I introduce a joint resolution which I ask may be referred to the Committee to Audit and Control the Contingent Expenses of the Senate. Accompanying the joint resolution is a letter explanatory thereof, which I ask may be referred to the committee to accompany it.

The joint resolution (S. J. Res. 173) granting compensation to the Capitol police for extra services, was read twice by its title, and, with the accompanying paper, referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

#### PROPOSED ANTITRUST LEGISLATION.

Mr. KENYON submitted an amendment intended to be proposed by him to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which was ordered to lie on the table and be printed.

#### PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 4, 1914:

S. 6192. An act to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act.

On August 5, 1914:

S. 663. An act for the relief of Thomas G. Running; and

S. 3176. An act to increase the limit of cost of the public building at Bangor, Me.

On August 6, 1914:

S. 1149. An act for the relief of Seth Watson;

S. 1784. An act restoring to the public domain certain lands heretofore reserved for reservoir purposes at the headwaters of the Mississippi River and tributaries;

S. 1803. An act for the relief of Benjamin E. Jones;

S. 3761. An act for the relief of Matthew Logan; and

S. 6101. An act to grant the consent of Congress for the city of Lawrence, county of Essex, State of Massachusetts, to construct a bridge across the Merrimac River.

#### PAYMENTS UNDER RECLAMATION PROJECTS.

Mr. SMITH of Arizona. I send to the desk a conference report on the bill extending the time for payment under reclamation projects, and I ask that it be now considered. I understand it is a privileged matter.

The VICE PRESIDENT. The report will be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4628) extending the period of payment under reclamation projects, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, and 16, and agree to the same.

That the House recede from its amendments numbered 13 and 14.

MARK A. SMITH,

HARRY LANE,

W. L. JONES,

*Managers on the part of the Senate.*

EDWARD T. TAYLOR,

JOHN E. RAKER,

MOSES P. KINKAID,

*Managers on the part of the House.*

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. MYERS. Mr. President, I should like to ask the chairman of the committee, the Senator from Arizona [Mr. SMITH], what disposition the report makes of the House amendment providing that appropriations for reclamation work in the future shall be made by Congress? I was not able to satisfy myself concerning the matter as the amendments were read by number, and I should like to be informed on that point.

Mr. SMITH of Arizona. Mr. President, the Senate conferees were compelled to agree to the amendment put on the bill by the House of Representatives. In our judgment that was necessary to avoid losing the bill itself. The amendment preserves the fund as an irrigation fund but requires estimates to be made and appropriations to be made in pursuance thereof by Congress as to each particular item to be provided for by the fund. The appropriation must be made by Congress on appropriation bills, as other appropriations are made. That is the only difference.



Mr. CHAMBERLAIN. Do I understand that the Senator from Arizona is asking that the report be adopted? I hope that the report will be printed and go over until to-morrow morning, so that we may have an opportunity to examine it.

Mr. SMITH of Arizona. What was the request of the Senator from Oregon?

Mr. CHAMBERLAIN. I should like to have the report of the conferees printed and have it go over until to-morrow, so that we can have an opportunity to examine it. The whole northwestern section of the country is more or less affected by this bill, and a simple reference to the amendments by number is not satisfying to Members of the Senate. I may not have any objection to the report at all, but I should at least like to have an opportunity to see it in print in connection with the bill and amendments.

Mr. SMITH of Arizona. Mr. President, the only material difference, I will say to the Senator, is that suggested by me, that the bill as agreed to by the conferees brings the reclamation projects under the jurisdiction of Congress under estimates made by the Secretary of the Interior. That is the only respect in which it materially differs from the bill as originally passed by the Senate. Except for personal reasons—my anxiety to get away from the city for a time—I would not insist on the consideration of the report to-day.

Mr. CHAMBERLAIN. Mr. President, I do not usually assume the attitude of an objector, and I should like very much to assist the Senator from Arizona, but I should also like very much to see the conference report in print. If the Senator will let the report go over for an hour or more, I think I will have an opportunity to examine it so far as I care to.

Mr. MYERS. I urge that the report go over until to-morrow. I should like to have it go over for 24 hours.

Mr. SMITH of Arizona. Of course in the face of objection, for which I am very sorry, the report will have to go over.

Mr. SHIVELY. No.

Mr. SMITH of Arizona. If not, I should like to move to take up the report.

Mr. SHAFROTH. I suggest to Senators who are interested in this matter that they can examine the report before it is printed, and then later in the afternoon it can be called up for consideration. In that way I think we would lose no time.

Mr. SMITH of Arizona. I am perfectly willing to accept the suggestion of the Senator from Colorado. The only changes are in the Record, and I will call the attention of Senators to them as soon as I can get the exact record as to the only amendment on which any material disagreement has occurred.

Mr. McCUMBER. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from North Dakota?

Mr. McCUMBER. I assumed that the Senator from Arizona was through. I do not wish to take him off the floor.

Mr. SMITH of Arizona. I yield to the Senator from North Dakota.

Mr. McCUMBER. Mr. President, I notice by reference to the calendar that the unfinished business is the bill (H. R. 15057) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, and also that there are two notices for addresses immediately following the routine morning business to-day. In the meantime, while we are taking up the time of the Senate upon these matters affecting our internal affairs, our commerce is practically at a standstill. Petitions are coming in from all over the country requesting Congress to act in some way so as to give us means of transporting our enormous surplus products abroad. Our agricultural products, especially those of a cereal character, are this year the greatest in the history of the country. Prices have been depressed to a great extent because of this abundance in the crops of the United States. An opportunity has presented itself, on account of the serious war conditions in the Old World, of our receiving a fair price for these products if we can get them to the field of consumption. We all know that Great Britain takes by far the largest part of all of our exported food products.

I believe that Great Britain will be able to keep open the channels of trade between the United States and that country; and if conditions should become so stringent that the ordinary insurance company would not issue insurance to protect shipments of food from this country to Great Britain, that the British Government itself would see to it that they were insured. I made inquiry along that line this morning at the State Department, because of the rumor that Great Britain had taken such action, but I find no confirmation of those rumors at the present time.

In the meantime business is suffering; and it does seem to me that it is a far more important duty to provide for moving our crops and our exports abroad than it is to discuss, as we will discuss, perhaps for weeks, the trust bills; and I wish to appeal to the chairman of the Committee on Commerce, if bills for the relief of American shipping have been referred to that committee, immediately to bring those bills to the front and in some manner have this question disposed of. If the bills have been referred to the Committee on Inter-oceanic Canals, then, of course, I appeal to the chairman of that committee. Properly, I should say, under ordinary conditions they should have been referred to the Committee on Commerce; but, because of the fact that a merely commercial matter was inserted in the Panama Canal act, these bills have been referred to the Committee on Inter-oceanic Canals. At any rate, what I want to impress upon the Senate is the necessity of first relieving the condition of this country in respect to its exports before we do anything else. The cotton section of the country is demanding legislation, the other agricultural sections of the country are demanding legislation; and we ought to pass some bill within one or two days that would relieve the situation.

Mr. SHIVELY. Mr. President—

Mr. McCUMBER. I yield to the Senator.

Mr. SHIVELY. The unfinished business, as I understand, is not now immediately before the Senate.

Mr. McCUMBER. It is not.

Mr. SHIVELY. I understand, further, that the bill which was discussed yesterday, touching the very matter of which the Senator is speaking, will be before the Senate in a few moments.

Mr. McCUMBER. But I call attention to the fact that two Senators have given notice that immediately after the conclusion of the morning business they would address the Senate on another subject, and I am rather appealing to them that we shall discuss at this time the bills relating to our shipping interests instead of the trust bills.

Mr. O'GORMAN. Mr. President, at yesterday's session unanimous consent was given by this body that the pending bill for the registration of foreign-built ships be taken up immediately upon conclusion of the routine morning business.

Mr. McCUMBER. It does not so appear upon the calendar, and I, of course, must take the calendar as my guide.

The VICE PRESIDENT. There is not any doubt about the proposition that when notice is served and put upon the calendar of the intention of a Senator to occupy the floor of the Senate at the conclusion of the morning hour, it is simply a mere matter of courtesy upon the part of the Senate as to whether he shall or shall not be permitted to occupy the floor. There is no rule of the Senate and no law of the Senate that authorizes a Senator to serve a notice of that kind, but that custom has grown up.

Mr. McCUMBER. Mr. President, I think we all understand that, and yet—

The VICE PRESIDENT. There was a general understanding on yesterday—how far it may be enforceable under the rules of the Senate the Chair is not now stating—there was a general understanding among the Senators who were present that after the conclusion of the morning business to-day the so-called shipping bill should be taken up and, at least, discussed.

Mr. BRANDEGEE. It was a definite unanimous consent, Mr. President.

The VICE PRESIDENT. The Chair is not stating how far it went under the rules of the Senate.

Mr. McCUMBER. Mr. President, I am glad to hear that, and I will not take a moment's time if we can get to the consideration of that bill.

Mr. CULBERSON. Mr. President, I simply desire to call attention to the fact that the unfinished business can not come up before the Senate until 1 o'clock to-day.

Mr. STONE. Is there any unfinished business?

Mr. CULBERSON. Yes.

Mr. STONE. What is it?

Mr. CULBERSON. The Clayton antitrust bill.

Mr. STONE. When was it made the unfinished business?

Mr. CULBERSON. On yesterday.

Mr. CHAMBERLAIN. Mr. President, I desire to withdraw the request I made in reference to the conference report presented by the Senator from Arizona [Mr. SMITH]. I have examined the report of the conference committee, and, while the bill as agreed upon is not entirely satisfactory to me or to my section of the country, I still think it is the best that we can do under the circumstances, and I withdraw my objection.

The VICE PRESIDENT. Is there any objection to the present consideration of the conference report?



Mr. SMOOT. Mr. President, I have the conference report, and intended to look over it for a few moments, the Senator from Oregon just having handed it to me, but, upon the statement of that Senator, I shall not take the time to examine it and shall not object to its consideration.

The VICE PRESIDENT. There being no objection, the question is on the adoption of the conference report.

Mr. BURTON. Mr. President, there are other matters that are pressing, and I shall only occupy the attention of the Senate a very few moments.

I understand that the members of the conference committee on the part of the Senate opposed the House amendment under which selections for irrigation projects and the appropriations thereunder are hereafter to be made in accordance with action by Congress, but that they were unable to secure the elimination of that amendment without seriously endangering the passage of an important bill. For that reason I suppose it is futile to oppose the provision, but I desire to enter my vigorous protest against that change; it is plainly a backward step. We have had experience in connection with other appropriations, where action which should naturally be taken by the executive departments has been forced upon Congress by the claims of different localities. The pressure upon Representatives and Senators has been too evident. I trust that at a later time this question will come up and the apportionment of funds for these projects and their selection may be left where it belongs and where it was intended to be left when the original act of 1902 was passed.

Mr. SMOOT. Mr. President, just a word. I want to say that the question of the extension of the time of payment is not involved in the controversy. If the bill simply provided that appropriations for reclamation projects shall hereafter be made by Congress, I should certainly oppose the bill with all the power that I have; but I am aware of the situation in the West in connection with the reclamation projects, where many of the farmers will be ruined financially if the time of payment is not extended, and therefore I allow the evil part of this bill to pass in order to get the extension of time that is absolutely necessary.

I fully agree, Mr. President, with the statement made by the Senator from Ohio as to future appropriations being made by Congress, because I know what it means to each Senator and each Member of the House and the influences that will be brought to bear upon them. In the past the head of the Reclamation Service, knowing the condition of each of the projects, has been better able to decide than any Member of Congress or Congress itself as to the amount of annual appropriation which should be made for the various projects.

Mr. JONES obtained the floor.

Mr. SMITH of Arizona. Mr. President, will the Senator from Washington yield to me to say a word in response to the Senator from Utah? I will occupy only a moment.

Mr. JONES. I yield to the Senator.

Mr. SMITH of Arizona. Mr. President, this matter was gone over very thoroughly, and I think Senators understand exactly the condition in which we were placed. In view of the disaster which would face settlers on irrigation projects if this bill should fail, we were forced, if you please, to accept this amendment. The proposition has been made, and I think it can be worked out, that this being a particular fund having nothing to do with the general funds of the Treasury the estimates sent down by the department will be left just as largely to the control of the head of the department as they now are, and in the appropriation bill itself provision could be made for an exigency fund, which would meet one of the objections strongly urged.

I think that through a guarded appropriation bill, made in conformity with the recommendations of the Interior Department, we shall have no difficulty, in spite of all that has been said concerning pork-barrel assaults on the General Treasury. I think we will all concede that Congress ought to have the say about what shall be done concerning appropriations from the general funds of the Treasury if a demand is ever made on the general fund at all.

Mr. JONES. Mr. President, I just want to say that I signed the conference report with very great reluctance. I consider the provision put on the bill in the House a very unwise if not a vicious provision; but we were confronted with the proposition of no bill at all or agreeing to this amendment. For the reasons stated by the Senator from Utah, which I realize very fully, I felt compelled to sign this conference report rather than have the bill fail, because I know the condition of many of the settlers under the various irrigation projects; and for their relief and for their help it is absolutely necessary and essential that the other parts of this bill should be passed.

I have not very much hope from the suggestion made by the Senator from Arizona, but something may come out of it. As I

say, however, I have no hope from that. We are simply forced to take this bill with this amendment, and that is all there is to it, to get the relief that is absolutely essential to the settlers under many of these various irrigation projects. For that reason, and that reason alone, I signed the conference report.

Mr. MYERS. Mr. President, I view with great alarm the adoption of this report. I am opposed to it, and I shall vote against it. I would rather stay on the 10-year payment plan of reclamation projects than to adopt this report and have the bill amended in this way.

I think the expenditure of the reclamation fund is right where it belongs and ought to be—under the administrative department of the Government. It can handle it better, it knows the needs better, it knows conditions better than Congress can possibly know them; and it has been well conducted. I have no fault to find with the administration of the Reclamation Service of the Government. It is in competent hands, skillful hands, hands that understand the business, and the work is proceeding well.

If we take the control of these expenditures away from the Reclamation Service and put it in Congress, I think it will make just what is popularly called a "pork-barrel" proposition out of it. It will not be decided on its merits. It will be subject to wirepulling and intrigue and pressure and influence of all sorts, wholly independent of merit, and will be decided in a manner far removed from the merits of the proposition.

I know by experience what it takes to get money from Congress for reclamation projects, and I predict that when this is put in the hands of Congress every reclamation project in the West will be up against just the same thing that the Flathead reclamation project in Montana is up against every year.

Mr. McCUMBER. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MYERS. I yield.

Mr. McCUMBER. The Senator from Washington [Mr. JONES] stated that he was opposed to this bill, but that he would vote for it because of the exigencies of the matter. I presume, in the Western States, I should like to know what very bad result would follow if this bill were defeated. The Government has never yet taken a man off his place because he failed to pay, has it? Will the Government do it if we allow this matter to run over another year?

I know that in my own State and in other States those holding lands under the Reclamation Service are years behind, and they have not been deprived of their holdings. Would it not be better to take the chance of the Government not foreclosing upon their rights for another year than to vote this kind of a measure upon them?

Mr. MYERS. I think so, and I am going to vote to reject the report. I would rather stand on the law as it is than turn this matter over to Congress and make an annual free-for-all scramble of it, and take the chances of projects with less merit getting more money than other projects of more merit.

Mr. McCUMBER. As I understand, the particular change in this bill is the extension of the time for payments and scattering it over a longer period of time.

Mr. MYERS. Yes; that is it.

Mr. McCUMBER. If that is practically all there is to it, I do not believe the Government is going to foreclose the right of any citizen because of his inability to make his payments. That being the case, why should not we defeat this bill, if it is a bad one, and take our chances on getting the right kind of a bill another year? I have not much sympathy with the idea that we should vote for a vicious measure because it is the best we can get at the present time, unless it can be shown that we are going to suffer materially because we do not adopt that measure at this time.

Mr. MYERS. I prefer what I consider the lesser of the two evils. I prefer to endure the evils that we are now enduring rather than to go to those we know not of but may easily surmise. I know what the Flathead reclamation project in Montana has had to go up against every year since I have been here. There are three Government reclamation projects in Montana; and if I had to go through what I have to go through every year for the Flathead project in the case of every one of three others, making four in all, I would not be able to do it; that is all there is to it. I would not have any time or life left.

Mr. SMITH of Arizona. Mr. President, with the permission of the Senator, I will ask him if it is not true that the projects in his own State which have given him so much trouble are not involved in this question, because they are outside the regular Reclamation Service?

Mr. MYERS. Yes; in large part.



Mr. SMITH of Arizona. Those are *sui generis*. They do not come under this scheme. The Senator's trouble is what we will all have when we go to the General Treasury for an appropriation. That will not affect this particular fund, because the general public are not interested in this particular fund. I trust this appropriation will be placed ultimately under the committees of the Senate and the House that know the conditions in the Western States. This being a specified, particular fund outside of which they can not go, the recommendations of the Secretary to Congress are tantamount to the Secretary's appropriation of the money in the first instance. We must bear in mind the awful disaster which I know threatens the extreme Southwest without the relief under this bill. I know that nothing but disaster and ruin await thousands and thousands of people who have been standing waiting for this relief.

Mr. MYERS. Mr. President, I have had experience in trying to get money voted by Congress for a reclamation project in Montana. Of course, it is somewhat different from this, but it would be the same in this respect, that each Senator or Representative who has a reclamation project in his State would be trying to get all he could for his project, and if he got more for his project some other project would have to get less. There would be, I apprehend, constant faultfinding and criticizing of the estimates made by the Interior Department, assaults upon them, and a general endeavor to upset and do over the whole thing.

I know how it is when these things are debated before the Senate. I know the misinformation that exists, the misunderstanding, the lack of information, and the bewildered condition of Senators.

The thing will be debated here for three days, and when the bell sounds for a roll call Senators will come out of the cloak rooms and committee rooms and went to know what it is about, and you will have to explain to them privately in three seconds what has been debated in the Senate for three days.

It is absolutely impossible to get an intelligent vote on a proposition under those circumstances. I believe that many a vote will be taken under a misapprehension where hundreds of thousands and, in fact, millions of dollars are involved; and the rights and lives and existence of thousands of settlers and their families will depend on Senators coming out of committee rooms and cloak rooms and trying to learn in three seconds what has been debated for three days and what has been passed upon by the department.

Mr. LANE. Mr. President, I will ask the Senator if that observation does not apply pretty generally all down the line to the bulk of the legislation that is passed here?

Mr. MYERS. Well, I am not saying as to that. I am saying as to those things in which I am most directly interested.

I presume, probably, this report will be adopted; but before it is done I wish to make my earnest protest and to say that I would rather stand on the 10-year payment plan, I would rather stand on anything than to go to this sort of a grab-game proposition. I predict dire results, I predict injustice, I predict suffering to settlers and neglect of reclamation projects. I believe the time will come, if this is done, when you will rue what you have done, and will see the deplorable consequences of it. I for one am opposed to it, and can not find language sufficiently strong to express my unalterable opposition under any and all circumstances, whether the bill fails or not. I am opposed to substituting one evil, and what I consider a worse evil, for another evil, and I shall vote against the report.

Mr. STERLING. Mr. President, I have one particular objection to the acceptance of this report. It will be remembered that the Senate adopted as an amendment to the bill as originally presented section 16 of the bill, which provided:

SEC. 16. That the district court of the United States for the district where the lands or some portion of the lands included within any reclamation project are situated shall have jurisdiction of all suits brought by the United States or the Secretary of the Interior for the enforcement of the provisions of this act, and jurisdiction of all suits now pending or which may be hereafter instituted by any legally organized water users' association or irrigation district in behalf of the water users and settlers thereon for the enforcement of the provisions of this act and of the provisions of the reclamation law as referred to and defined in section 1 of this act.

Mr. President, it seemed to me that this was a most reasonable provision, and a most reasonable amendment to the bill as it was presented to the Senate. This reclamation law is quite drastic, so far as the individual settler and homesteader is concerned. The Secretary of the Interior may cancel his entry on a reclamation project for noncompliance with the law or the requirements of the Department of the Interior in regard to settlements, improvements, and so forth. The Secretary of the Interior may declare a forfeiture of all payments made upon the failure to pay any particular installment, and it has been treated as something outside of the jurisdiction of the courts

to interfere as long as the question is pending before the Interior Department.

So much for the individual settler or homesteader and his rights. This amendment simply provides that a suit may be instituted in the United States court by a water users' association or an irrigation district in behalf of the settlers, and that the United States district court shall have jurisdiction of suits of this kind.

The question has been raised by the Interior Department and by the Government in a case now pending relating to the Bellevue reclamation project. The question of jurisdiction of the court is raised in that case, in proceedings brought to enjoin the department from declaring cancellations and forfeitures and shutting off the water supply because of a failure to pay an assessment deemed unjust, partly because the cost of the project is far beyond the original estimate made, exceeding, as it does, by \$78,000 or more the original estimate made by the Interior Department. Full payment of the installments and charges for water supply not having been made, notice was served that the water supply would be shut off, and these proceedings were instituted for the purpose of preventing that. The suit was brought in the State court, removed on the application of the defendants to the Federal court, and there the question of jurisdiction on the part of the court was raised. The district court sustained that jurisdiction, and the case is now on appeal before the circuit court of appeals upon the question of jurisdiction.

Since the suit is to be brought by the water users' association or the irrigation district in behalf of the settlers, and is not a suit to be brought by any individual settler complaining of a wrong on account of the cancellation of his entry or on account of the forfeiture of payments he has made, it seems to me but just that the court should have jurisdiction to settle these questions. Senators will remember the amendment, section 16, as originally introduced provided that there should be no cancellation of an entry and no forfeiture declared until there had been an adjudication of the matter in a court of competent jurisdiction. That portion of the amendment was stricken out in the Senate, and the amendment was left so that the water users' association alone, or an irrigation district, might have the right to institute the proceedings in behalf of many, and that the court might have jurisdiction over any such suit now or hereafter to be instituted.

So I see no reason, Mr. President, why section 16 should be stricken from the bill. I think it is a wholesome and an appropriate provision to be added here, and I oppose the report of the committee because it has acceded to the House amendment striking out that section.

Mr. JONES. Mr. President, I simply want to say to the Senator that the Senate conferees held out as long as they felt they were justified in doing in behalf of the amendment of the Senator from South Dakota. One of the strong points that the House members insisted upon, however, was the very fact the Senator stated, that the district court had already decided that the district court has jurisdiction in these matters, and they said the higher court may sustain that decision, and therefore such legislation will be absolutely unnecessary. Furthermore, the department was very strongly opposed to this provision, and that was one basis for the House insisting upon its position.

I wish to assure the Senator that the Senate conferees did all they could to retain this amendment, because we were in sympathy with it and with its purposes, but the House was inflexible on this as well as on the other amendment.

Mr. STERLING. I appreciate what the Senator from Washington has said in that regard. It also raised the question of jurisdiction in the court below. It is insisting upon the want of jurisdiction before the circuit court of appeals now.

I merely wish to refer more explicitly to the point relied upon by the Government; these are the grounds of the objection to the jurisdiction:

That the corporation plaintiff is not the proper plaintiff to claim or to receive the interlocutory injunctive relief granted by the lower court.

That the judiciary can not interfere by injunction with the exercise of proper governmental functions of a coordinate branch of the Government of the United States, to wit, the executive branch thereof, as to the acts of the officers of the executive branch not unlawful nor ministerial, but requiring the exercise of judgment and discretion on the part of its officers. Defendants assert that the matters complained of in the amended bill are within the exclusive control of the executive department of the Government, free from the control of the courts.

That this action is a suit against the United States to compel specific performance of this contract by enjoining the breach thereof.

That the United States district court was without jurisdiction to give the interlocutory relief appealed from.

These are the points now made in the circuit court of appeals by the Government, represented as it is by the Reclamation



Service, and the Reclamation Service, it is understood, is vigorously opposed to section 16 of the bill, and would deny to the water users the right to a hearing in the courts under any circumstances.

Mr. McCUMBER. Mr. President, the Senator from Arizona [Mr. SMITH] declared that the failure to pass this bill at the present session would result in great disaster to the southwest section of the country. I should like to ask the Senator to state in what particular form this disaster will be manifested if we fail to pass the bill as the House has compelled us to amend it?

Mr. SMITH of Arizona. The truth is that each one of us in every irrigation enterprise confines his vision very largely to his own particular locality, and so it is in the case now before us.

This bill stops the monopoly of the holdings within these irrigation districts and forces the unused land to pay its part in the development, and breaks up monopoly in speculative land.

Under the present law these men are bound to pay, and the time is up now for many of them to commence paying on these projects. They started out with \$30 an acre, and most of them, under the rule, with which the present Secretary had nothing to do, they have increased; it is double, treble, quadruple in cases. Take one case that comes under my own knowledge. Starting out with \$30 an acre—

Mr. McCUMBER. That was the estimate.

Mr. SMITH of Arizona. It is now \$80 an acre that they have to pay in 10 years.

Mr. McCUMBER. That is merely the difference between the estimate and the reality.

Mr. SMITH of Arizona. Not altogether. I am not complaining so much of that as I am of the condition of overhopefulness of the people and of the department in starting into these irrigation projects.

It requires more than you may think when you come to the estimates as first made. They are no more than started when the development gets larger and larger and it involves an enormous expense. Those already on the land have to bear their part of it, and the result of it is that it is impossible for any one of them, without bankruptcy, unless he is a man already very well to do, to meet the conditions of the present law as to the payments.

This bill not only does extend this time, but if the Senator will read it he will see that it has been worked on months and months with the most careful study; and after consultation of the two committees and consultation with the department, as a result of six months of labor the bill has been evolved, either wisely or not. That is a matter for the Senate now to decide.

Mr. McCUMBER. The particular point I wanted to know was whether or not the Senator believes that disaster would be caused by the Government foreclosing its interest as against a claimant.

Mr. SMITH of Arizona. They can do it if they want.

Mr. McCUMBER. I know they could, but they never have done it.

Mr. SMITH of Arizona. But that is no security for a man struggling for his life.

Mr. McCUMBER. I know; but it is some security if we do not pass this bill until next winter. We may then secure legislation that all would agree would be just and fair.

Mr. SMITH of Arizona. You can not get any other legislation on this subject through the House of Representatives. I doubt whether you could pass it on the floor of the Senate when the question is squarely brought up, when we leave it to the Senate to decide whether or not one department of the Government that is handling eighty or ninety million dollars, without a single brake on it, should do as it pleases with it; and that is what is the matter with the House of Representatives. It is caused by the act of four committees and the investigation of these enterprises. They feared that a great waste of money had occurred, and if they had been held down to the estimates they never would have occurred.

But, be that as it may, you will never get a bill next year, and you never will get one as good as this, in my opinion, in all the other provisions, aside from this one amendment. There will be no chance next year more than there is now to get the bill through without the amendment now on it.

As I have said before, as to the mere fact that the Secretary of the Interior in making his estimates to Congress with whatever logrolling you please, it is the same logrolling we have had with the Secretary ever since the irrigation projects were started. We come to him to get an estimate, and if there is not some very strong argument made in Congress to show that that

estimate is altogether wrong those estimates will be generally accepted, particularly so as they are confined to a particular fund with which the General Treasury is not at all interested. So we shall have less trouble than my friend from Montana apprehends in that respect.

Mr. McCUMBER. Mr. President, I certainly regret to note the pessimistic spirit of the Senator from Arizona to the effect that this bill is not a good bill, and that we probably never will be able to get a proper and just measure upon this matter through both Houses. I can not believe it.

I call the attention of the Senator to one element that should be stricken out—the provision for a hearing before the courts. Under the court procedure, if an action was brought by the Government to cancel the right of the claimant, the court, under its equity powers, would fix a date, at least, in which the claimant might redeem. The Government has no such power. The department could give no such right to redeem within a certain time unless it absolutely disobeyed the law. That I consider as one of the great features that was gained by the amendment placed on the bill by the Senate.

There are other features which I do not care to discuss, but it does seem to me that the Senator has not shown a good case for the adoption of a bill which he admits or is compelled to admit is against the view of the Senate and which Senators generally believe to be vicious and wrong.

Mr. SMITH of Arizona. The Senator has in his memory that very good bills have been brought into the Senate, but the Senate will not pass them. I remember that the Senator's bill was a just bill, and he was as confident of the necessity of it as I am of the necessity of this bill.

Mr. McCUMBER. That is true. I still have hopes for that legislation.

Mr. SMITH of Arizona. The Senator is living on that hope, but men can not live on hope alone. When we see ten or fifteen thousand farmers relegated to hope for a living I begin to get a little nervous on their account.

Mr. WALSH. Mr. President, I rose to say a word in view of the idea advanced by the Senator from North Dakota [Mr. McCUMBER] that we had better allow this bill to fail of passage than to accede to the principle of the amendment put on the bill by the House. I do not think so. The Senator is correct, of course, in saying that the Government has never yet endeavored to drive from his claim any settler on a reclamation project who has been delinquent in a payment for his land that is due from him. But of course the law commands the officers of the Government to do just exactly that thing, and in a way they are disregarding their obligation and their duty under the law unless they do just exactly that thing.

Furthermore, and more important even than that, Mr. President, is this consideration: The settler upon the project is living from day to day and from week to week and from month to month in the dread that just exactly that thing will be done. Accordingly he is paralyzed in his every effort.

Shortly after the present Secretary took charge of the Interior Department, as will be recalled, he called representatives of the settlers under all these various reclamation projects here for a general conference, and they all came with one common plea, asserting that it was imperative that the time within which they were permitted to make payment should be extended. They had different views about a great many of these questions, but all spoke of the imperative necessity of relief of this character. It has been delayed a long time now, and despair, I fear, will overtake many of them if they are again disappointed in their expectation of relief of this character.

Mr. President, I regret indeed the necessity which seems to impel acquiescence in the adoption of the principle of the House amendment. I am not unmindful of all of the troubles which are in store, so eloquently outlined and so truthfully outlined perhaps by my colleague, but I beg the Senators to bear in mind at the same time that there was a wise public policy back of that provision in the Constitution which declares that no money shall be paid out of the Treasury of the United States except in consequence of appropriations made by law. We must all recognize the fact to be that this money is being paid out of the Treasury of the United States without any appropriation whatever by law, and whether the statute flies in the face of that constitutional provision or not, we all know there was a great struggle back of that provision in the Constitution. The Kings of England claimed that they had certain resources at their command and they were entitled to make use of those moneys as they saw fit without the interposition of Parliament at all. We have in a way given countenance to that principle in this legislation. There is much to be said, Mr. President, in favor of the principle that is thus expressed in the House amendment.



I feel that it is in a way unfortunate for these reclamation projects, but at the same time I feel that the principle will be insisted upon in the future as resolutely as it is now; and it appears to be a fixed purpose upon the part of the House to incorporate this provision in the measure. So, it seems to me, we might as well accept the inevitable now as later. Accordingly, I shall support the report.

Mr. McCUMBER. Mr. President, let me just answer the Senator on one proposition. The Senator alludes to the constitutional provision for the appropriation of funds for carrying on any Government energies. Does not the Senator know that this was an appropriation—that by the very law the Government appropriated all the funds that would arise from the sale and disposition of public lands? That has already been appropriated. The settlers took their lands under that law and under that appropriation. Now we put a string to that appropriation, and say that Congress may or may not appropriate the money which has already been appropriated by Congress for this particular purpose.

Mr. WALSH. Mr. President, I do not desire to enter upon any discussion of the soundness of the proposition, which I barely suggested in my remarks; but, of course, if the Senator from North Dakota is correct in his view about the matter, we could then pass a revenue act imposing a duty upon certain imports, and we could appropriate everything that came from that source for a governmental purpose for all time. We could then make a levy of a duty upon other goods and appropriate that to certain governmental purposes for all time. In other words, Mr. President, I doubt the power of Congress to set aside certain revenues of the Government for all time for a specific purpose without any further interposition on the part of the Congress.

Mr. MYERS. Mr. President, I want to make one more suggestion as to my apprehension of the future that has been occasioned to me by some remarks made by those esteemed Senators who sat on the conference committee. I have no doubt they stood up for us well and did all they could; but they come back and say unless we accede to this the whole bill will fail, because the House conferees will not recede.

Mr. SMITH of Arizona. Let me tell the Senator that I did not see the necessity of stating anything about it; but it was proposed to require the payment of interest on every dollar of this money, and it was only beaten by 2 votes in that body; and the proposition was beaten by only 4 or 5 votes to turn this money into the general fund. They came near doing that and putting us in the attitude you have been in with your Flathead Indian question.

Mr. MYERS. That is what I have in mind.

Mr. SMITH of Arizona. We have kept both those out. It was only by two votes that we avoided a heavy interest on this money.

For the same reason, in this expenditure of \$80,000,000, \$90,000,000, or \$100,000,000, or \$200,000,000, that was the only thing we asked, and that is inevitable because, as the Senator has well said, you had just as well meet the inevitable to-day as to go back, for it would be a great deal worse the next time you make the effort to get a bill out of the House. I speak, knowing what I am talking about, if the present House is still in control.

Mr. MYERS. I am satisfied the Senator knows what he is talking about. He always does. I give him credit for that. I am not finding fault with our conferees. I am complimenting them. But what the Senator says only bears me out in the point I make. Our conferees come back here and tell us what is undoubtedly true, that unless we recede the House conferees say the bill shall fail and they will put in a provision for interest the next time. That is another threat hanging over our heads. That very same condition might arise if this becomes a law. Every time a bill appropriating money for reclamation projects is passed, when we fix it the way we think it ought to be, it will go to conference and the House conferees will have it in their power to say it must be changed so-and-so, and if it is not the whole bill will fail and nobody will get a dollar.

Mr. SMITH of Arizona. Let me suggest to the Senator, what interest have the great eastern representatives in the Congress of the United States with a fund dedicated to this particular western project, crystallized in its limits, held sacred as one great fund? Can you conceive of any particular question that could arise between those people? There might be something as between you and me as to what ought to be done, but certainly we might look for no assault by the House of Representatives as to this particular fund.

Mr. MYERS. I think there is much opposition in the East to all reclamation work. I presume the conferees on the reclama-

tion appropriation bill in the House and in the Senate in future, if this becomes a law, will be western men. I say the House conferees simply have it in their power to say this will be fixed our way or not a dollar shall be appropriated. The Senate may appropriate \$1,000,000 for a certain project and the House conferees may say if you do not cut that down to \$5,000 the whole thing will go by the board.

Mr. SMITH of Arizona. It is subject to a point of order by anybody in the House if it was proposed to change the appropriation. This is a fund already set aside by law for that purpose.

Mr. MYERS. It is in the power of the conferees, I understand, to raise or lower the amount within the limits prescribed by Congress.

Mr. SHAFROTH. Will the Senator from Montana yield to me?

Mr. MYERS. Certainly.

Mr. SHAFROTH. Does not the Senator realize the fact that this reclamation fund is to be repaid by the settlers?

Mr. MYERS. Certainly.

Mr. SHAFROTH. Consequently the people of the East are not affected and they are not going to attempt to control these matters in the West. This fund, when once appropriated by Congress, has to be repaid by the settler himself. It is a matter exclusively within the discretion, as it ought to be, of Senators and Representatives from the West. If it were a fund like the river and harbor fund I could see that interminable difficulties would arise, but they can not arise, in view of the fact that these moneys are to be repaid. This very bill provides for the repayment.

I want to call the Senator's attention, then, to this: I happened to be in the House of Representatives when the discussion upon one of the phases of this bill arose, and the request was made to have an interest charge made. It was only upon the speech of Mr. UNDERWOOD that a majority appeared against it. He went on the basis that this was the reclamation of vast areas of Government land, and that it was necessary that the same policy of making homes for the people should prevail under this bill as under the homestead law. And yet, notwithstanding the powerful plea which he made, he was only successful by, I think, two or three majority.

I want to say that if this bill fails there has got to be other relief given to this end; and if that is true, the matter will again have to go to the House of Representatives, and I do not believe you will ever be able to get so favorable a condition from them as that which has been given in this bill.

The conferees have been faithful; the members of this committee are loyal to the interests of the West; and they have come to the conclusion that this is the best thing out of the deal at the present time. That being true, it seems to me that we ought to approve the conference report.

Mr. MYERS. Mr. President, I have not said a word against our conferees; I have been saying much for them.

The Senator says that this money is all to be repaid by the settlers. Some Senator or Representative may get up and say the crop is going to be a failure; it is all right for settlers to pay out; but they are not going to be able to pay out; just as was said about the Montana Flathead project here, it is all right if the white settlers are going to pay out, but they can not pay out. It will be taking a risk, and they will say this is taking a risk.

I do not believe in letting the House crack the whip over our heads, veto what we do, and say, "You must take so and so or you will not get anything." We have seen too much of that; and we shall see more of it if this bill becomes a law.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from New Hampshire?

Mr. MYERS. With pleasure.

Mr. GALLINGER. I heard the Senator suggest that eastern men have no interest in this matter.

Mr. MYERS. Oh, no; it was another Senator, not I, who said that.

Mr. GALLINGER. Well, some other Senator said it. I want simply, in a word, to say that, as the Senator knows, every representative of an Eastern State in this body voted for the irrigation bill.

Mr. MYERS. I beg to repeat I was not the Senator who made the statement referred to by the Senator from New Hampshire. I want the Senator to understand that.

Mr. GALLINGER. It was some other Senator.

Mr. SHAFROTH. Mr. President, I am the Senator who said that, in the sense of expressing the hope that Senators from the East would continue the policy they had heretofore pursued and continue to assist in that manner the development of the West.



Mr. GALLINGER. I did not allude to it by way of criticism, and I now recall that it was the Senator from Colorado who said it. I want to say now that I think I voice the sentiment of certain Members of this body from the East in saying that any legislation that is at all proper which will aid the settlers on irrigated or on nonirrigated lands in the great West will receive our cordial support, but, after all, we are not unmindful of the fact that the matter of administering the irrigation laws has not been as wise in some respects as it ought to have been; and I think it would be well for western Senators not to ask too much, so far as the future is concerned. I do not know the details of this bill, but I will say to the Senator from Montana that if it meets, in any reasonable degree, the existing requirements, the report ought to be agreed to. Then in the future there may be men in the other body who will be more liberally disposed than is the present House of Representatives on this matter, and I know they will be met with cordial liberality in this body; and something more may be done than this bill provides for the present. It seems to me that Senators ought not to urge unusual things, even though they may be right, and undertake to defeat a bill that does not fully meet their views.

Mr. President, I only say this for the reason that I want to go on record once more, as I have several times before, as a friend of the irrigation projects and as a believer in a liberal policy on the part of the Government.

The settlers have not kept their promises; they could not do so, I presume; they have not met the requirements of the law; I presume they could not have done so; but let us be reasonable about this matter, get the best we can to-day, and try for something better to-morrow, if it is available.

Mr. MYERS. Mr. President, I know some of the eastern Senators and Representatives who have taken, I thought, too much interest—more than I like to see them take—in western projects. I do not accuse them of taking too little interest. Now, as an instance of what I have in mind, the Senate appropriated at this session \$250,000 to the Flathead reclamation project in Montana, while the House of Representatives had appropriated but \$100,000. Anyone who knows anything about the matter knows that the sum of \$250,000 for that project in one year is a mere pittance and not what it ought to have, yet when my colleague [Mr. WALSH] and I appeared before the Senate and House conferees the House conferees calmly announced that we could take \$200,000 or get nothing; that if we did not take \$200,000 they would return to the House and have the House go back to its original proposition of \$100,000; that they would see the entire appropriation bill fail unless we took \$200,000, and we were compelled to take it.

Our conferees did all they could, but they were powerless; in fact, one of our conferees, the Senator from Oregon [Mr. LANE], stood out for \$250,000 to the end, and would not sign the report because the \$250,000 was not allowed; but the majority of our conferees, after doing all they could for us, had to recede, and we had to take \$200,000 or nothing. That, in my opinion, is just what will occur every year in the future. The House conferees will map all this out to suit themselves, and say to us, "You will take this or get nothing."

Mr. SMITH of Arizona. I ask for a vote on the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

#### PROPOSED ANTITRUST LEGISLATION.

Mr. ASHURST. Mr. President, I gave notice yesterday that at the close of the morning business to-day I would submit some observations on the unfinished business. In view of the situation in which we find ourselves I shall withhold until to-morrow any observations upon that bill which I may have to make, in order that I may not be even a humble instrument in impeding the progress of the shipping bill; but I desire to give notice that to-morrow morning at the conclusion of the morning business I shall submit some remarks.

#### REGISTRY OF FOREIGN-BUILT VESSELS.

The VICE PRESIDENT. Morning business is closed.

Mr. O'GORMAN. I ask unanimous consent that the Senate resume the consideration of the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Mr. GALLINGER. Mr. President—

Mr. O'GORMAN. Mr. President, will the Senator from New Hampshire withhold his remarks for a moment?

Mr. GALLINGER. Certainly.

Mr. O'GORMAN. Mr. President, in order to expedite the passage of the shipping bill the Inter-oceanic Canals Committee held a meeting this morning for the consideration of the various amendments offered yesterday, and the committee concluded to accept as a substitute for section 1 of the House bill as amended by the committee the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE], with some slight modifications which are quite satisfactory to him.

With regard to the second section, the committee accepted the suggestion made by the Senator from Arkansas [Mr. CLARKE], with a slight modification, which is satisfactory to him. As this is an important change, perhaps I might take the time of the Senate now to read it, although later the Secretary may read all of the changes.

We have had numerous telegrams within the last day or two from organizations of sailors throughout the country protesting against foreigners being employed in the watch of vessels admitted to American registry, and we probably meet the attitude of all American sailors by the change embodied in the amendment offered by the Senator from Arkansas. With that amendment the section will read as follows:

SEC. 2. That the President of the United States is hereby authorized, whenever he shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

The Senator from Iowa [Mr. CUMMINS] proposed an amendment yesterday containing the provision that all ships purchased by American citizens or corporations during the next year must be approved by the Secretary of State before American registry is granted. The committee very carefully considered this amendment, but thought it inadvisable to incorporate it in the bill, for this reason: Every transfer of a foreign ship in a foreign port must be approved by the United States consul, who, under existing law, will inquire into the details of the transaction; and it is to be assumed that upon the passage of this bill the Secretary of State will give such instructions as he deems necessary to our consuls abroad as to the care which they should exercise before approving any such transfer. After the transfer is made, if it be made abroad, before the ship is admitted to American registry it must appear in an American port and must there be examined by the customs officers. The customs officers before granting registry will undoubtedly act under instructions from the Secretary of the Treasury, in charge of that department.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Iowa?

Mr. O'GORMAN. Certainly.

Mr. CUMMINS. The Senator from New York, and the committee as well, have misapprehended and misunderstood the amendment I have proposed. My amendment does not contemplate that the Secretary of State shall approve the purchase of the ships, but shall approve the certificate of registry before it is granted.

Mr. O'GORMAN. I understand the purpose of the amendment, but by law that duty is now confided to the Secretary of the Treasury, representing the Government, and why transfer it to another department?

An additional suggestion which influenced the committee in its attitude is this: As was stated yesterday, if an American citizen under this proposed law, or, indeed, under the existing law without any change whatever, subject only to the five-year limitation, purchases a foreign-built ship from a belligerent it is a personal transaction. That ship may be seized by a belligerent. It may be captured. The American owner will then have an opportunity to prove in a prize court that his purchase of the ship was made in good faith and not for the purpose of evading the consequences of the war. It is a personal transaction with him. It does not touch our Government. If we make a declaration in this act that registry shall not be allowed to a foreign-built ship except with the approval of the Secretary of State, may we not be involving our Government in some of these transactions?

It is for that reason that the committee thought it inadvisable to insert such a provision.

Mr. CUMMINS. No; this amendment does not interfere with the approval of the Secretary of the Treasury. It adds the approval of the Secretary of State. I do not care anything about the seizure of the ship. This is not for the purpose of protecting the owners. I understand that if they desire to buy a ship, and if they violate the international laws, or whatever laws may apply to them, they may lose their ship.

Mr. O'GORMAN. The laws of neutrality.



Mr. CUMMINS. I care nothing about that. The contingency is abundantly provided for in the law. What we are about to do, however, is to meet an emergency. We are about to encourage the purchase of foreign-built ships under extraordinary conditions. I can easily conceive that if we change our law to meet this emergency, and as a result of that change Americans should buy a German ship, for instance, and the German ship were permitted American registry as a formal matter—because a thing of that kind does not come before the Secretary of the Treasury personally; it is in the general jurisdiction of the collector of the port, I assume, and all the business will be done by subordinates—

Mr. O'GORMAN. Right there, if the Senator will permit me, in connection with the last statement, does the Senator believe that, with the hostilities abroad, the Secretary of the Treasury will not immediately give careful instructions to the collector of every port as to the care he must observe before giving registry to foreign-built vessels?

Mr. CUMMINS. I assume that due care would be exercised by the collector of the port; but, pursuing the illustration I had in mind, we pass this law in order to enable our people to buy German ships or ships of belligerents.

Mr. O'GORMAN. They can do that now under the existing law if they are not over 5 years old.

Mr. CUMMINS. I know that. They can do it if the ship is not over a certain age.

Mr. O'GORMAN. If the ship is not more than 5 years old.

Mr. CUMMINS. But we are extending that provision, and why? To enable our people to buy ships which they could not otherwise buy; to enable us to meet the emergency or exigency that is now upon us.

Now, suppose we do that; how will England look upon the act? How will France look upon the act, in view of our relations with those countries and with every other country? We must be prudent and careful and be sure that we give no national offense. If the department of our Government which has in charge our relations with foreign nations looks over the transaction and finds that there is nothing in it that would be unfriendly or unlawful, then we have, I think, an assurance that the privileges which we intend to grant by this act will not be abused, and that no international complications will grow out of it.

Mr. O'GORMAN. Suppose, notwithstanding the approval by the Secretary of State under the Senator's amendment, if it were adopted, the ship nevertheless was captured by a belligerent, would it involve us in any complications?

Mr. CUMMINS. It would involve us, in a way. I am not thinking of that event, however. I am thinking of the effort to preserve friendly relations with all the world. I am hoping that the purchases that may be made, if any are made, under this act will not arouse the hostility of the nations from whose subjects we purchase these ships and whose commerce we intend to take if we can. I hope this emergency will not impel the United States into strained relations with the countries which, unfortunately, are now at war.

It was with that in mind and as an assurance to the nations of the world that we were not entering upon a new field without subjecting everything that was done pursuant to the act to the scrutiny of the very department that we maintain to carry on our intercourse with foreign nations, that I proposed this amendment, so that they would see in it a purpose scrupulously to observe our obligations created by treaties, created by international law, and above all created by the neutrality convention of 1909.

Mr. SHIVELY. Mr. President, will the Senator from New York yield to me for a moment?

Mr. O'GORMAN. I yield.

Mr. SHIVELY. I submit that the course which attains the object sought with the least change of existing law is the course that would obviate the very dangers which Senators profess to fear. The purpose of the measure in charge of the Senator from New York is to repeal the five-year limitation in the canal act. This would so modify the navigation code as to authorize American citizens to purchase available ships, wherever built, place them under the flag of the United States, and operate them in the deep-sea carrying trade. What is there novel or startling about this proposition that it should occasion the awful anxiety expressed on this floor? Ours is the only Government on the face of the earth to-day that denies to its citizen or its subject the right to purchase a ship in any foreign country whatever, bring it home, have it admitted to registry, put in its ocean marine, and sailed under its flag.

Mr. O'GORMAN. That is undoubtedly correct.

Mr. SHIVELY. This being true, why all these fantastic visions of direful consequence should we enact this measure?

So far from precipitating on the world some startling innovation, the measure imitates the example set and the settled policy pursued by every one of the belligerents in the present European war. Which of them could complain of a policy and practice in consonance with its own in conserving the interest of its merchant marine?

The bill relaxes no provision of existing law making ownership by citizens of the United States a condition of admission to registry. That department of the Government which now determines the questions of ownership and the citizenship of such ownership is the natural agency to regulate the question of watch and officers on the vessels to be admitted to registry under the proposed act. Why complicate and confuse the transaction by changing the practice and importing into each case the Department of State? As well say that for an additional safeguard we will also remit each case to the Department of Agriculture, and for further safety have three or four additional departments pass on the question. This would only add complications. It would substitute complexities for a simple and natural course. We should only make the changes necessary to bring the merchant ships under the flag of the United States.

It is not a question of securing more ships for the carrying trade of the world. There are plenty of ships now. It is a question of getting more ships which, despite the present disturbed conditions of the ocean-carrying trade, may be operated with the largest available security.

Mr. GALLINGER. Mr. President, if the Senator will permit me—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Hampshire?

Mr. O'GORMAN. I do.

Mr. GALLINGER. The statement that has been made so often, that this is the only country in the world that does not permit its citizens to buy ships wherever they can find them for sale, is not quite accurate. The German Government very frequently requires that ships shall be built in German shipyards, and it gives all sorts of rebates in the matter of shipping material and encourages its shipping in other directions. When the British Government put up \$13,000,000, as it did, to build the *Mauretania* and *Lusitania* there was a condition in the contract that they should be built in British shipyards. So it is not a universal rule.

Mr. SHIVELY. Mr. President, if the Senator from New York will permit a further word—

Mr. O'GORMAN. I yield.

Mr. SHIVELY. The slender and remotely occasional limitations which the Senator invokes, and which have reference to colonial and military policy rather than to commercial marine, only tend to emphasize the rule. When the farsighted Bismarck began the work of building up a foreign carrying trade, he went to the Clyde, into the shipyards of the Armstrongs. He ordered eight iron hulls. He took them home and placed them in the German merchant marine under the German flag. Against this, loud protests went up from the German shipyards. But within less than two years the wisdom of Bismarck in replenishing the German marine with the best tools of the trade at the best bargains was vindicated even to the satisfaction of the German shipbuilders. Germany became the home of the ship. The German shipyards got the repairing. With the building up of the merchant marine by acquiring ships from all available sources, new activity came to the German shipbuilding industry. It improved on the art of shipbuilding until in the past few years it has been taking contracts for foreign battleship building against the competition of the whole outside world. When you buy a ship, in whatever quarter, and put it under the American flag, you are making a contribution to the future prosperity of the American shipyard.

Mr. GALLINGER. Then the Senator is in favor, is he, of striking down our navigation laws entirely, and permitting us to buy the old junk of every nation in the world and put it under the American flag?

Mr. SHIVELY. Mr. President, we can safely trust the common sense of the American business man on the question as to whether he will buy "old junk." Your navigation laws made "old junk" of our own merchant marine.

Mr. GALLINGER. Well, we will take out the words "old junk" and we will say "the ships of foreign countries."

Mr. SHIVELY. Let me say to the Senator that I know with what industry and persistence he has been advocating and supporting through many years our old navigation code, and I know and he knows that in the last five years not a single deep-sea vessel has been built in an American shipyard.



Mr. GALLINGER. Neither has one been bought under the Panama Canal act, which opened the market so that we could purchase them.

Mr. SHIVELY. That act did not go far enough to prove a panacea. There are too many other barbarisms in the navigation code besides the ship-construction section for that act with its little narrow five-year limitation to work a rehabilitation. The Senator has been the steadfast producer on an ideal theory that produces only a phantom merchant marine.

Mr. GALLINGER. Why, Mr. President, I agree that no ships have been built, and they have not been built because the Government has not encouraged the building of them. That is the reason. The Senator's opposition was very potential in defeating the very bills which provided that the Government should assist.

Mr. SHIVELY. Oh, yes; the Senator came here with his usual mail-subsidy proposition, a nostrum inherently futile, and that wherever relied on has spelled disappointment and failure. It was an expedient that is only potential to take money from the Federal Treasury without adding a ship to our merchant marine. It was a part of that fatal policy under which the United States flag disappeared from the ocean.

Mr. GALLINGER. I should like the Senator to point out to us the system to which he alludes.

Mr. SHIVELY. It is the system represented by our navigation code, which the Senator cherishes so fondly. It is the system under which the vast and superior interest of our ocean commerce was sacrificed to the short-sighted cupidity of the American shipyard, and sacrificed in vain. It was the system under which our deep-sea marine was strangled by a code that deprived it of access to the tools of the deep-sea trade on the only possible basis of successful competition. The same process that strangled our deep-sea marine put the deep-sea shipyard out of business. It was the system that confronted the American citizen who would invest in the ocean carrying trade with arbitrary, artificial obstructions, the effect of which no policy of Federal gratuities in the form of mail subsidies or ship subsidies could overcome.

Mr. GALLINGER. They have worked pretty well with England and Germany.

Mr. SHIVELY. The Senator utterly overestimates the influence of subsidy on the growth of the merchant marine of either of those countries. The vast bulk of the merchant marine of both countries has had no pecuniary connection whatever with government, and has attained its present proportions unsubsidized and unassisted by any influence even remotely associated with subsidy.

Mr. GALLINGER. Does not the Senator know that England to-day is paying \$10,000,000 a year in subsidies?

Mr. SHIVELY. No; I know that England is not paying \$10,000,000 a year in subsidies. England is paying certain sums for the carriage of mails.

Mr. GALLINGER. Yes.

Mr. SHIVELY. That is quite a different thing from subsidy. To assume that a mail payment is essentially a subsidy is to project a mistaken idea of the whole subject. Of course, where the payment is for actual service rendered in carrying the mails it involves no subsidy whatever.

Mr. GALLINGER. What does the Senator think would happen if we gave \$10,000,000 a year in mail subventions to our shipping?

Mr. SHIVELY. Why, Mr. President, the effect of subvention on our shipping is not a matter of conjecture. There has been constant subvention under the Revised Statutes, as well as under the contract act of March 3, 1891. Under the latter act there has been distributed over \$20,000,000. That act was to build up our merchant marine. It was to build up a system that was to become an effective auxiliary to our Navy. Over \$10,000,000 of the disbursements under that act has gone into the treasury of the International Mercantile Marine Co. and its predecessor, the International Navigation Co. The International Mercantile Marine Co. is a New Jersey corporation. Through its subsidiary companies it owns and controls fleets comprising 126 vessels, of which not to exceed 6 or 8 fly the American flag. Though this company has absorbed more than half of the disbursements made from the Federal Treasury under the act of 1891, where have they added a single farthing to the volume of our merchant marine?

Mr. GALLINGER. Does the Senator mean to say that any American subvention is paid to a ship flying a foreign flag?

Mr. SHIVELY. The facts speak for themselves. These payments from the Federal Treasury go to the International Mercantile Marine Co. They constitute a portion of the receipts of that company. The Senator admits that nearly all the ships operated by that company fly foreign flags?

Mr. GALLINGER. Yes.

Mr. SHIVELY. The contracts are made with that company. The payments are made to that company. Who are the beneficiaries of these payments?

Mr. GALLINGER. They are paid something for carrying our mails.

Mr. SHIVELY. They are paid without reference to the amount of mail they carry. There is no pretense of any relation between payments and service. The company receives precisely the same amount of payment, whether the ship carries a single postal card or a hundred tons of mail.

Mr. GALLINGER. Do the foreign Governments simply pay the cost of transporting their mails?

Mr. SHIVELY. In the great body of instances, yes.

Mr. GALLINGER. When England pays \$10,000,000 for transporting her mails while we pay \$1,000,000 for transporting ours, is it possible that England pays only the actual cost of transporting her mails?

Mr. SHIVELY. In the first place England pays no \$10,000,000 on account of her foreign mails, and in the second place we pay vastly more than \$1,000,000 for the transportation of our foreign mails. There is no subject on which there is more subterfuge than in the statistics employed to make it appear that foreign merchant marine has been subsidized into its present proportions. Take the list of disbursements incorporated by the Senator in the report on his bill in 1910, which he says I was potential in defeating. Examine that list item by item. Disbursements of all kinds are bunched together and represented as subsidy payments, whereas the most casual investigation shows the great body of them to have been payments for actual service rendered and partaking in no sense of the character of subsidy. Many of them were payments on contracts let to the lowest bidder under conditions excluding the possibility of subsidy. By thus gathering up all disbursements made by foreign Governments and throwing them into a total the sum is made to approximate \$46,000,000. With as much propriety and more candor you could claim that the over \$50,000,000 paid to the railroads of the United States each year for the transportation of mails is subsidy. Payments for actual service are not subsidy, and it is not a good cause that requires them to be so regarded.

Mr. GALLINGER. England must have a great deal more mail than the United States, then, under those conditions.

Mr. SHIVELY. No inference of that kind follows. The fact is that the system of subsidies which the Senator advocates has been in vogue in the United States in a more or less aggravated form for over 40 years. Under the Revised Statutes our Government pays an American ship over twice as much per pound for carrying letter mail as it pays the foreign ship for like service, while under the contract act it, as a rule, pays many times as much to the American ship as it pays for like service under the Revised Statutes. The same is true in a somewhat less degree of the payments for other forms of mail. Yet all these expedients under the general law and under the special contract act have not saved our merchant marine from constant decay and rapid disappearance.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. Mr. President, in view of the importance of this shipping legislation and its urgency, I ask unanimous consent that the unfinished business may be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. CLARKE of Arkansas. Mr. President, in view of the acceptance by the Senator in charge of the bill of the amendment I offered a few days since, I desire to make certain verbal changes in it in order to perfect it, without changing its meaning. I now read it in this form:

He shall find that the number of available persons qualified under now existing laws and regulations of the United States, to fill the respective positions of watch officers on vessels admitted to registry by this act, is insufficient he shall suspend by order, so far and for such time as he may find to be necessary.

The provisions of a certain law.

Mr. O'GORMAN. That is satisfactory to me, Mr. President.

Mr. CLARKE of Arkansas. I will say while I am on my feet that the purpose I had in offering the amendment was to make it enforceable against the constitutional objections. I never had any idea that the President of the United States would suspend the operation of the Panama Canal act where there was



an available supply of pilots and other persons to do duty as watch officers on the vessels. The delegation was too broad and too unconditional, and in terms addressed to the President without discretion to suspend the law whenever he thought the needs of foreign commerce might require it. It was vulnerable to attack under the doctrine laid down in the celebrated case of *Fields against Clark*, reported in *One hundred and forty-third United States*. It was a broad and unconditional grant of a discretion to suspend the law upon a pure matter of judgment. Under the doctrine laid down in that case the law suspends itself whenever the tribunal finds a certain fact to exist. The distinction is a fine one, but lawyers understand it. There is no reason why the matter should be made doubtful on this occasion.

For myself, I believe the time will come when such a broad delegation of power to the President will be sustained. The institutions of this country are so numerous, the climatic conditions so different, and the population and interests which constitute the Nation are so diversified that it is entirely possible that a general law should be suspended as to sections and people.

I believe if we had to-day a provision in the law that the foodstuffs of other countries should be admitted to this country where there was an insufficient supply at home, and that the President should have the right to deny admission except upon the payment of tariff duties when the supply was sufficient, it would be a better law than we have now. The agricultural interests complain, and probably will have more occasion to complain hereafter, that we broaden the market for that particular class of products in a much larger degree than in the case of others.

Mr. WEST. Does not the Senator think that would be a dangerous law?

Mr. CLARKE of Arkansas. If I thought it was a dangerous law I would not advocate it. I do not think it would be a dangerous law.

Mr. WEST. Does not the Senator think it would be dangerous for the United States Government generally to delegate to the President full power?

Mr. CLARKE of Arkansas. To pass laws?

Mr. WEST. Yes; to pass laws—to make laws.

Mr. CLARKE of Arkansas. If the Senator interrogates me with a view of getting a categorical answer I say that there are instances where I think it would be exercised in a very wholesome way, and I indicated one of them.

Mr. O'GORMAN. Mr. President, that the provision of the bill as framed in the House is open to the constitutional objection which the Senator from Arkansas thinks he sees in it is, of course, largely academic; but there is ample authority to justify the precise language used by the House measure in the very case the Senator cites. It is true there was a dissenting opinion in that case by Chief Justice Fuller, who disagreed with the majority of the court; but in that case similar powers were conferred upon the President and sustained. I was about to call the attention of the Senate to two other changes that were made.

Mr. SUTHERLAND. Will the Senator before we pass from the amendment proposed by the Senator from Arkansas indulge me for just a moment?

Mr. O'GORMAN. Certainly.

Mr. SUTHERLAND. I think the amendment proposed by the Senator from Arkansas is a wise amendment, and it ought to be adopted; but I suggest to the Senator from New York that there ought to be a further limitation upon this power. In the first place, as it seems to me, it ought not to be a power which the President may exercise under normal conditions. Congress ought to make the law upon this subject, and it ought not to turn it over to the Executive. But I recognize the fact that conditions are abnormal, and that so long as they remain abnormal it may be wise to invest the President with this authority.

I suggest to the Senator that there ought to be a time limitation, and I ask the Senator whether he would not accept an amendment to insert after the word "that," in section 2, the first word in the section, the words "until but not after the 1st day of August, 1915"?

That will limit the life of the legislation to a year. If at the end of that time the emergency shall not have passed, and we all expect that it will have passed long before that, there will be no difficulty in extending it.

Mr. O'GORMAN. The Senator surely does not believe that the President would suspend this requirement if no grave emergency existed. It simply resolves itself into a question as to whether we may confer this discretionary power with perfect

confidence in the Executive in these trying times. Congress can change it at any time.

Mr. SUTHERLAND. That is, to my mind, hardly an answer. Of course, we expect that the President may use wisely any power which may be conferred upon him, but I do not think the Senator from New York would consent to vest in the President this power under normal conditions.

Mr. O'GORMAN. I would not.

Mr. SUTHERLAND. Therefore, it seems to me the Senator must concede that after these abnormal conditions have passed away the power ought to end, but it will remain unless we put a time limit upon it until affirmative action is taken by Congress to repeal the law. What harm can possibly result from inserting in the bill a provision which will limit the power of the President, under section 2, to a year?

Mr. O'GORMAN. For this reason: I assume that as soon as hostilities cease in Europe the President will not exercise the power we now confer upon him, and if he attempted to use the power in normal times Congress would speedily work a change in the statute.

Mr. CLARKE of Arkansas. May I call the attention of the Senator from Utah to the fact that the amendment contains a limitation and robs the suggestion made by him of some of its force? There is a limitation on the supply of the number. They can not exercise the power as long as there are available American officers to take these places. It does not make any difference whether it is in normal times or abnormal times, it is a fundamental condition on this power to suspend. I think it is properly safeguarded.

Mr. SUTHERLAND. If the Senator will indulge me further, I would not consent to giving the President this power under normal conditions, even with the limitation which is made by the amendment of the Senator from Arkansas, and being of that opinion, I think we ought to put into the law such language as will prevent the power from being exercised whenever these abnormal conditions have passed away.

Mr. WEEKS. May I suggest to the Senator from Utah that if a time limit is to be placed on this discretion of the President it should terminate at a time when Congress would naturally be in session, so that if there were any reason for doing so it could be extended? If the limit is at the end of one year, we all hope Congress will not be in session at that time, and there might some emergency arise before Congress came together.

Mr. SUTHERLAND. I recognize the force of that suggestion, and I should have no objection to altering it and fixing it the 1st of December or the 1st of March next, or some other date.

The other limitation which I wanted to suggest to the Senator from New York was to insert a proviso that will require, under any and all circumstances, that the master of any vessel taken over from foreigners shall be an American citizen and that the majority of the officers shall be American citizens. Before the Senator from New York makes up his mind about that let me make a suggestion to him.

Mr. O'GORMAN. I have my mind made up about that last proposition. If adopted, it would impair the value of this legislation. As a war measure all the Governments now engaged in hostilities are closing down their lighthouses, and the master of a ship capable of taking his vessel safely through those waters must have most intimate acquaintance with the land and the dangers of the sea that he traverses. Those men so familiar with that section of Europe will in nearly every case be foreigners. There is the greatest need at this time in having foreign captains managing some of the ships that will come in under the American flag.

Mr. SUTHERLAND. If the Senator from New York has that view of it, he ought not to consent to the limiting amendment of the Senator from Arkansas, because under the view of the Senator from New York it is necessary to continue the foreign master upon the ship in order that it may be navigated.

Mr. O'GORMAN. No.

Mr. SUTHERLAND. In that view he ought to provide affirmatively for continuing the foreign master.

Mr. O'GORMAN. The Senator does not read closely or with his usual care. We provide that so long as there are available persons, naturalized citizens, capable of performing the duties of watch officers, no foreigners will be employed, but I assume that a naturalized citizen the captain of a boat familiar with the Pacific waters, but having no familiarity with the English Channel and the North Sea and the French coast, would not be available, even though we met the requirement in the statute that he should be a citizen of the United States.

Mr. SUTHERLAND. Mr. President, as far as I am concerned, emergency or no emergency, I will never consent to legislation which will permit the purchase of a foreign ship



particularly in times like these, in a time of war, and permit the entire roster of officers and of men to be foreigners.

Mr. President, suppose the United States and England were at war instead of there being a European war, and Germany were to undertake to do what we propose to authorize the President to do under this legislation, that German citizens should take over an American vessel with an American captain, American officers, and an American crew, and put that ship under the German flag and set it upon the ocean. If I were the captain of that ship, with my country at war with a foreign country, having control of it, I am sure I should be strongly tempted to use it to the advantage of my own country if I could. I would owe allegiance to the United States; I would owe no allegiance to Germany.

I undertake to say that if we should take over a German ship with a German captain, German officers, and a German crew upon it, those men intensely loyal, as they are and ought to be, to their own country will find some method of utilizing the ship for the benefit of Germany in these hostilities, and whenever that is done the United States will have to reckon some way or other with the antagonists of Germany in this war.

Mr. O'GORMAN. Let me answer that question. The London conference, in 1909, recognized the fact that the nationals of a belligerent power might be employed on the vessel of a neutral power, and even though the vessel came under the control of a belligerent power, it would not remove or impress its own nationals. But, as I stated yesterday, under the terms of the London conference the nationals in that case would be required to make a declaration that they would not engage in the war.

Mr. SUTHERLAND. That is true, Mr. President, but we are undertaking by this legislation in a time of war to change our own laws and to change them in such a way that a ship of Germany may be put under the protection of the American flag and utilized to help Germany in this war. If such a thing as that should happen, as it might well happen, we shall have complaint, and serious complaint, from England and from France, or if we should buy a French ship the same result with Germany.

Now, the only thing I am anxious about is to see that the ship which may be purchased is sufficiently under the control of American citizens that that can not be done. I think that very grave danger is to be apprehended if we shall purchase a ship of one of these belligerent powers and permit it to be entirely manned by the nationals of that country, and I think we ought to safeguard this legislation against that contingency.

Mr. O'GORMAN. Let me say to the Senator from Utah that many of the vessels now flying the British flag and owned by American citizens are manned almost entirely by a British crew. They surely have in most instances British captains. If you would impose restrictions such as you suggest in this bill, you would discourage the very thing this legislation is intended to advance and promote.

Mr. SUTHERLAND. Mr. President, I fear that the Senator from New York does not quite get the force of my point. That is true, as the Senator has stated. I would not interfere with that condition by passing a law to alter it, but this is new legislation passed at this critical time. We are altering our laws at the very time when these nations are at war with one another, and under that legislation a thing could be accomplished that could not be accomplished under existing law. Without this amendment our citizens could not purchase a German ship and put it under American registry and man it entirely with German officers. Under the existing law we would have to put American officers on the vessel; all of them would have to be American citizens. Now, we propose to repeal that law or to permit the President in effect to do it.

Mr. O'GORMAN. To suspend it temporarily.

Mr. SUTHERLAND. To suspend it and permit this German ship to continue under the same officers and crew, to permit that German ship or English ship or French ship, as the case may be, to put out to sea and be operated with the full complement of officers and crew owing allegiance to one of these belligerent powers, and altering our law in that respect at this critical juncture. If it should result in developing a situation such as I have suggested it would undoubtedly bring upon us complaint, and very serious complaint, from some other of the belligerent countries that might be affected.

Mr. STONE. Mr. President—

Mr. O'GORMAN. I yield to the Senator from Missouri.

Mr. STONE. I should like to ask the Senator from New York who constitute the watch officers on the vessels?

Mr. O'GORMAN. All responsible officers are embraced in the term watch officers. They get that designation because of the division of time usually into three watches of eight hours each. Sometimes there is a great number of watches.

Mr. STONE. The purser is not a watch officer?

Mr. O'GORMAN. No; he is not a watch officer.

Mr. STONE. Mr. President, I share in some degree the apprehension expressed by the Senator from Utah [Mr. SUTHERLAND] that trouble might arise by putting an American ship entirely under the control of foreign officers. For American citizens to purchase a ship from a belligerent power and permit it to be officered and operated wholly by citizens or subjects of the country from which it comes strikes me as having in it elements of danger—danger, first, to the peace of the country, and, secondly, danger to the safety of the cargoes carried by the ship.

Now, I want to ask the Senator from New York, knowing that there is with him in this matter no mere pride of opinion, whether he thinks it would be practicable in such cases as I have stated, and as the Senator from Utah has stated, that instead of having all the watch officers from captain down made up of the subjects of belligerent power, an American commanding officer should be placed in command of the vessels.

In one of the amendments printed in the bill as I have before me there is an amendment authorizing active or retired naval officers to engage in this commercial service. Why would it not be wiser and better to provide in some way that an American commanding officer should be put in charge of a vessel purchased under this act from a belligerent power at least during the continuance of hostilities?

Mr. O'GORMAN. This is the difficulty with that proposition: Nearly all the ships now flying foreign flags and owned by American citizens have as captains foreigners, and we are not at all certain that all Americans owning foreign ships will take advantage of this law. They will only take advantage of it if it is attractive to them; and if we impose as a condition that they must discharge the captain, who has the confidence of the shipowner, we can see how that circumstance itself might deter the owner of the ship from changing the flag.

I think if Senators will only bear in mind that this is an emergency measure, which we expect to be in operation only a short time, Senators might not be too critical in viewing its provisions. We are confronted with a situation, as was stated yesterday, where millions of property of American citizens, cotton and foodstuffs, are awaiting transportation to foreign countries. The merchant marine belonging to foreign countries will not dare to put to sea at this time, being fearful of capture. The paralysis is now upon various sections of the agricultural activities of this country, and there is an immediate call for aid in this crisis. We should not view a piece of legislation designed for an emergency with that extreme care that we should devote to it in normal times and in the consideration of a normal proposition. We are surrounded by abnormal conditions. We are confronted with a grave situation, affecting the people of our own country.

I invited the inquiry yesterday, Is there any Senator who can offer a better plan to meet the situation?

Mr. WHITE. Mr. President—

Mr. O'GORMAN. If the Senator will pardon me, it was stated yesterday that we might pass a law permitting our coastwise vessels to engage in the foreign trade. I am advised by the Commissioner of Navigation that there is no need of a change in the law in that respect—that every owner of a coastwise vessel suitable for the foreign trade can enroll at once in any port and be relieved of his coastwise registry and obtain permission to engage in the foreign trade.

The change will involve the owner in no inconvenience. He is not permitted, however, to engage in both trades at one time. As I have said, the owner of an American vessel now engaged in the coastwise trade—and, as we know, all vessels so engaged are American vessels—can secure the necessary enrollment in the office of the collector of the port, which will permit him at once to engage in the foreign trade. Therefore there is no need of any legislation in that respect, but how many of our coastwise vessels are fitted for the over-seas trade is a very doubtful question. Even the Commissioner of Navigation will not hazard a guess. It will be remembered some months since, when we were discussing Panama Canal legislation and having occasion to consider our coastwise trade, we were advised that all the coastwise traffic of the United States embraced perhaps from 24,000 to 26,000 vessels, craft of various descriptions, and yet of that large number, excluding, of course, the railroad-controlled portion of it, there were but about 33 ships in the coastwise trade available for the business of the Panama Canal. If the number would shrink from 26,000 to 33 when we are considering ships available for the Panama Canal, we may well doubt whether there is any considerable number of our coastwise vessels suitable for over-seas trade.



Mr. WALSH. Mr. President—

Mr. O'GORMAN. I yield to the Senator from Montana.

Mr. WALSH. Mr. President, I desire to observe in this connection that the policy attacked here is not a departure at all, considering the world at large. England, as we know, has, perhaps, as much shipping as all of the remainder of the world combined, and she undergoes exactly the same peril with respect to all of her shipping that it is now feared ours will encounter if we allow on vessels admitted to American registry masters and other watch officers of other nationalities, because England does not require that any of the officers of her ships be English subjects at all. Every English ship to-day may be manned, so far as the law of England is concerned, by Germans or by other enemies of that country if there be any engaged in navigation.

Mr. President, this proposed statute is given a wider scope and significance than it really has. It refers to conditions precedent to the registry of a ship in America; but it is a matter of municipal regulation solely as to what conditions must obtain before a ship can register. Under our municipal regulations the watch officers on an American vessel must be American citizens; in the same way, heretofore it has been required the vessel must be American built. We are going to dispense in part with these requirements. The conditions prescribed by the law must be observed in order that a ship may have the advantages, privileges, and immunities that come under it to a ship that is registered. Those are all matters of local concern. So far as the world at large is concerned, they are not interested in the conditions that we prescribe in order that a ship may be registered here and thus obtain the advantages which our local law gives.

It was long ago settled, Mr. President, that any American citizen could buy a ship abroad and fly the American flag over it, and that it was entitled to just exactly the same protection from our Government as though it had been registered here. The wars of the past have repeatedly raised that question. The matter was very carefully considered in the year 1854 upon the outbreak of the Crimean War. Mr. Cushing, a very eminent lawyer and statesman as well, the then Attorney General, was asked by the Secretary of State for his opinion as to what rights a foreign-built ship bought by an American citizen had when it was not registered under our local laws. He declared that it had a perfect right to fly the American flag and to engage in foreign commerce just as if it were registered here.

That view, Mr. President, has been repeated again and again by the State Department. Such a ship is entitled to ply between the ports of foreign countries whose laws will permit its entry or departure just exactly the same as if it is registered here. The matter of registry is a matter of local concern alone; it does not affect the national character of the vessel. If the ship belongs to an American citizen she is entitled to fly the American flag, and her owners are entitled to all the protection that an American citizen may claim from his Government in respect to his property abroad.

The seizure of the vessels of an enemy is a survival from the times when all the property of a citizen of a belligerent was subject to capture and confiscation. In the darker ages an invading army appropriated as it pleased the property of the enemy of any character whatever on land or on sea; but in the evolution of the ages belligerents were forbidden by the law of nations to confiscate private property on land; but as to property on the sea it is still permissible for a belligerent in time of war to seize the private property of the citizen on the sea. If a ship flying the American flag should be taken, the sole question presented, if an effort were made to have her condemned as a prize, would be as to whether it was the private property of an American citizen. That would be determined by the *prima facie* bill of sale, if she was purchased, which is authenticated by the consul if the purchase is made in a foreign port. The foreign Government is in no manner concerned as to whether or not the ship is actually registered under the American law. Of course if she was that would be further evidence of the validity and the bona fides of the transfer made. If the sale is colorable only, to give a belligerent ship the appearance of a neutral character, the flag she flies would afford her no protection. If we are willing to take the chances that are suggested here; if England, owning half the shipping of the world, is willing to take the chances, other nations will not be heard, and have no right to be heard, to object, and have no interest in whatever regulations we may make as a condition upon which ships may enjoy the privileges, immunities, and advantages that are given by our local law to those that are registered.

Mr. WEST. Mr. President, I wish to ask the Senator from New York [Mr. O'GORMAN] a question as to a matter which was not made clear to my mind yesterday in the discussion of

the subject by him. I desire to inquire whether American-owned ships, flying a foreign flag, are entitled to the protection of our Government.

Mr. O'GORMAN. Mr. President, I do not know why the Senator is in any doubt about that. I made it very clear; indeed, I practically stated in a measure what has been said by the Senator from Montana [Mr. WALSH]. The nationality of a ship is dependent upon its flag. The ownership of the ship is an entirely different proposition. An American citizen has a right to own a ship plying in foreign waters, just the same right that he has to buy property in a foreign country; and our Government owes to an American citizen that protection which the Government ordinarily gives to any of its citizens in securing and protecting his property from the aggressions of other people or countries.

Mr. WEST. Just one more suggestion, right there. I am not familiar. I will state, with marine law, but I ask if the American citizen owning a ship flying a foreign flag is entitled to the protection of this Government, how would any enemy to that flag know whether or not a ship was an American-owned ship?

Mr. O'GORMAN. The title deeds, so to speak, of the owner-ship must be on board the ship.

Mr. WEST. I understand that; but what I was speaking about was how could it be free from attack when flying a foreign flag on the ocean?

Mr. O'GORMAN. Well, a foreigner will never attack a merchant ship. The foreign belligerent may capture it; he may seize it; and if the enemy believes that it is the property of another belligerent with which he is at war, he will confiscate it; but no such right, of course, would be exercised by a belligerent with respect to the property of a neutral. As I suggested yesterday, an American citizen owning a vessel flying the British flag whose property is taken from him improperly by any belligerent might invoke the benefit of the country whose flag he is flying as well as invoke the benefit of the country of which he is a citizen to secure him from wrong and injustice.

Mr. WEEKS. Mr. President, I think one hesitates in the presence of a great international calamity to oppose or even to criticize any measure which may seem to have in it anything which will better the conditions which exist. I am not sure that I am going to oppose this bill, and I am certainly not going to haggle over the details of the bill, because conditions as they arise will justify whatever is done if it has any benefit whatever.

I very much doubt whether American citizens are going to buy ships more than 5 years old when we know that they do not buy them if they are less than 5 years old. On the contrary, you would naturally suppose that they would buy the newer ships rather than the older ones, and my judgment is that if this bill is passed it will not add anything whatever to the shipping interests of the United States. If it were to be a bona fide transaction, if the purchases were to be made and the ship were to take an American registry and be operated exactly under the conditions which obtain in the case of other American shipping, then I can see that there would be the same protection to the shipping, if any is taken over, which would exist if the ships were built in the United States and manned and operated under our own laws, but I believe, Mr. President, that there is grave danger in the possibility that a paper transfer may be made; that the ship may be transferred with a string attached to it in some way; that it may carry a foreign crew and foreign officers and that the only actual change that will be made will be the hauling down of the flag of the country under which it has previously sailed and the substitution of the American flag.

If such a condition exists and that kind of ship goes to sea with that kind of a crew, carrying a cargo as to which there may be some doubt about its not being contraband, and then is held up by a man-of-war of any one of the belligerents in Europe and possibly is seized and confiscated, or it may be sunk; if that occurs, Mr. President, we are in a position where we have got to defend our flag, and the loss which would result from any such condition would be thousands of times greater than any benefit that may come from this legislation.

Now, it is not true that there are no ships in this country which are available for over-seas trade. The Senator from New York has correctly stated that a ship may be transferred from the coastwise to the deep-sea trade in any port of the United States, so that there is no reason why our coastwise shipping should not take up this trade if it is desirable for it to do so. I want to submit, Mr. President, without going into details, that there are great numbers of ships operated now in the coastwise trade, many of which on account of the dullness in that trade are practically tied up at their wharves, which are



available for foreign service and the owners of which are getting ready to go into that service to-day. Under such conditions, if we are going to take over the old ships of foreign nations, we are substantially paying a subsidy to foreign-built ships to take the place of our own shipping which is available and which is likely to be used in foreign trade.

I am not going to take the time to go in any detail into the question of coastwise shipping available for the deep-sea traffic, but I want to point out that there is a greater number of such American vessels than probably is known generally to Senators. I simply call attention to one case—the ships that are registered under the name of Eleazer W. Clark. I do not know who Mr. Clark is; he lives at Portland, Me. I have asked the Senator from Maine concerning him and have been told that the ships of Mr. Clark are engaged in the coastwise service, to a considerable extent, in coal carrying; but, in any case, here are 30,000 tons of available ships of one class or another which can be transferred to the deep-sea service in a day if the profits obtained under such service are greater than under the coastwise trade. There are many pages of such cases in the merchant lists published by the Navigation Bureau.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Massachusetts yield to the Senator from New Hampshire?

Mr. WEEKS. Yes.

Mr. GALLINGER. I will ask the Senator if he is aware of the fact that 10 American ships were chartered in New York yesterday for the foreign trade?

Mr. WEEKS. I had not heard of that, Mr. President, but I have no doubt it is so, and I have no doubt that 20 or 30 or 40 will be transferred to the foreign service to-day. In other words, if the foreign trade is profitable and the insurance rates are not too high, we are going to see the American coastwise shipping transferred to that trade.

The insurance rate is going to play an important part in the condition which exists. American shipping to-day carries an insurance rate of about 1 per cent; foreign shipping carries an insurance rate of from 5 to 70 per cent. That condition is going to induce our shipowners to go into this service; but if any of this foreign shipping, with the doubt which will hang over it, is going to be transferred to our registry and to carry our flag, and is going to carry an insurance rate several times greater than the American shipping which is now sailing under our flag, then I submit that that will be an additional reason why these transfers will not be made and why this bill, if enacted into law, whether it is good, bad, or indifferent, is going to be inoperative in its results.

I think there are very many things—I do not intend to take the time to discuss them—but there are so many doubtful conditions which surround this legislation that we may well hesitate before we pass it. If the British fleet, for instance, is successful in the North Sea, either in driving the German fleet to cover or in destroying that fleet—and we are likely to have results there within 10 days—if that is done, then the cargo-carrying trade of the Atlantic is not going to be upset by the European war, because the cargo-carrying trade of the world is very largely English. To be sure, they have some lines of steamers crossing the Atlantic, but the German trade in the Atlantic is almost entirely made up of direct lines of steamers between our ports and the ports of Germany. I think there is more cargo-carrying capacity under the Norwegian flag than there is under the German flag; I am quite sure that that is correct; and, in fact, if the German fleet in the North Sea is either destroyed or driven to cover, as is likely to happen in the near future, then we are going to have our carrying trade across the Atlantic continue without any great break, because it will be done by the English cargo-carrying ships and by Norwegian ships.

In any case, Mr. President, it does not seem to me that there is need for haste in this legislation. From every viewpoint it should be carefully considered, and while I do not want to oppose it if it is the consensus of opinion that it is wise I believe that the dangers which may arise from it are so much greater than the possibilities of advantages to be obtained that all Senators should hesitate before they support it.

Mr. WEST. Mr. President, before the Senator takes his seat I desire to ask him a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WEEKS. Certainly.

Mr. WEST. I desire to ask the Senator if he recalls the circumstance of a ship flying the American flag in the bay of Smyrna in 1912 being either blown up or fired upon by the Turks? I think the name of it was the *Mississippi*. I am under

the impression, although I do not know for what reason, that our Government took no interest in the matter at the time. Does the Senator recall that incident?

Mr. WEEKS. Mr. President, my recollection is that there was an American ship in those waters which was incapacitated or destroyed by running onto a mine which had become detached from the mine field where it was planted and had floated into a ship channel. That is my recollection. I may not be quite correct in the facts.

Mr. BURTON. Mr. President, I am cordially in favor of the prompt passage of this bill, although I do not regard it as certain that any very considerable results will follow its adoption. That is a question of which no man can be sure at this time.

We are confronted with an unparalleled emergency. We have abounding crops and a large foreign demand, due in the first instance to a shortage in the foreign grain supply, because crops have fallen below the average in certain European countries, a situation which is aggravated by farm labor being withdrawn from the fields to the war, and which will be still further intensified by the waste of war. The demand for our flour and for our wheat will be greater by reason of this terrible condition in Europe. The foreign demand will be increased, no doubt, for our food products, and probably very much diminished for our cotton and many of our raw materials.

Now, what is the situation? The carrying trade of the world is demoralized; most of the ships upon which we have depended for the transportation of our commodities belong to nations that are at war. So an emergency is created which should be met by an emergency measure, and that, I think, very promptly.

On consideration of this bill I was inclined to think at first that there should be several amendments, but on further examination I believe that in the shape in which it passed the House it is in as good form as it can be made. The amendment of the Senator from New York directing that our navy yards should open their dry docks for the repair of merchant ships, provided the facilities are not needed for the paramount purpose of taking care of our battleships, certainly will do no harm and may do good.

Objection to this bill comes from four sources; possibly there may be others, but as I analyze the opposition it results from four interests or ideas of public policy. First, the shipbuilding interest. I do not see how the exceptions created by this measure can injure that industry. The boats which may be taken over are limited to those in the foreign trade, and it is well known that this will not hamper shipbuilding in this country, for that has been dependent upon the construction of domestic vessels and ships for the Navy. Indeed, even if the bill were such as to create something of a handicap for our shipbuilding interests, it seems to me that in this emergency they should be willing to make concessions; and yet I do not see how it can in the least damage them.

The second objection comes from those who entertain the opinion that this will, if not now, ultimately affect the coastwise trade. There is, I think, more ground for apprehension there. If we should acquire a large number of foreign ships to be used primarily for the foreign trade and give them American registry, then, when normal conditions return, there would be an agitation for the use of those boats in the coastwise trade. But, Mr. President, that agitation is sure to come and will come after the opening of the Panama Canal and the development of trade between the Atlantic and the Pacific.

For one, I have never shared the roseate views of those who look for a revolution in routes of commerce and for colossal benefits from the opening of the Panama Canal. No doubt there will be a very considerable increase in the traffic between the Atlantic and the Pacific coasts, and in times of prosperity, what we call "boom" times, or in periods when crops are to be harvested and the supply of coastwise shipping is insufficient, there is sure to be a demand, especially from the Pacific coast, that the trade between the two oceans, or from the Pacific Ocean on the one side and the Atlantic and the Gulf on the other, be thrown open to foreign as well as to American ships. It will be said, "This canal has not conferred upon us the benefits we had expected; the traffic is not so large as we had anticipated, and it is prevented from reaching the proportions which it might attain by the scarcity of shipping or the high rates charged by boats under American registry."

It will be said also that while it is proper to restrict to boats of American registry traffic from New York to Jacksonville or from Boston to Norfolk or from Philadelphia to Galveston, it is a far cry to demand that the traffic between New York and San Francisco, going from one ocean to another, should be thus limited. So, this agitation is bound to come. I trust that the decision reached will be such as to retain advantages for our do-



mestic shipping, and that we shall not destroy this great industry; but it is very likely that if we pass this bill and any considerable number of boats of foreign registry are admitted to American registry, then, when the war is over, this agitation, which I think in any event is sure to arise, will be intensified. However, Mr. President, we can take care of that when the time comes. It is not necessary for us to anticipate it or to provide for that until we come to it.

A third objection relates to the provision in regard to foreign officers. Mr. President, we should not fail to notice that the ships which are most likely to take out American registers under this bill are those which are already owned by American corporations or capitalists, but operated under foreign flags. These American owners of foreign ships say: "All our preferences are for an American register and to fly the flag of our country, but we are deterred from doing so by reason of the fact that the cost of operation under American registry is very much greater than under a foreign register"; and frequently the argument is advanced, although I do not think it has the same force, that the original cost of a ship built in our own yards is greater than that of a ship built abroad. At any rate, those who engage in the over-sea trade recognize that with the right to buy foreign ships they have a much broader market from which to select.

There are many foreign boats owned by American companies. The International Mercantile Marine Co., by far the most important of these, is an American corporation, though all of the underlying companies which composed it except the American lines—the Red Star, the Leyland, the Atlantic Transport, the Dominion, the White Star, etc.—are foreign. That is, the International Mercantile Marine is a holding company, issuing common and preferred stock and bonds and owning the stock of the foreign companies. No doubt a considerable share of the stock and bonds of the holding company and especially of the bonds of the underlying companies is held in Europe. Another company, probably second in the number of its ships, is the United Fruit Co., which I believe has 41 boats with a foreign registry, some of the boats less than five years of age, and others more than that. For years they have had their own officers, who are predominantly foreigners. They have been living in an American atmosphere. Their employment has been furnished them by American business. Certainly, as regards this line it would seem that the owners could trust the absolute loyalty of the officers and employees, but without some such provision as that in this bill let us see what would happen.

The owners would take out American registers and would be told, "You must immediately discharge all of those officers, however satisfactory or useful they may be, and engage others who are American citizens in their places." No doubt it would be an insuperable barrier to their making any change. They would prefer to continue their foreign registry. There are a large number of other boats—I think it would be difficult even for the Commissioner of Navigation or anyone else who is an expert on the subject to include them all—which are owned by American capital, but operated under a foreign flag. There is the Dollar Line out of San Francisco, with some 10 or 12 boats. No doubt the preference there would be for an American registry. The first effect of the passage of this bill will be to bring this class of boats, owned by citizens or corporations of the United States, under an American registry.

It was said by the Senator from Massachusetts [Mr. WEEKS], for whose judgment I always have the utmost respect, that if the British fleet is successful the carrying trade will resume its normal proportions. I can not altogether agree with that statement. Any English tramp or freight-carrying ship, any French or Belgian ship, any ship belonging to any country at war with Germany, whatever route it might follow, would run the risk of meeting here or there on the ocean a German cruiser. We all know that at a time when our Navy was powerful enough to maintain a blockade two or three privateers belonging to the Confederate States were a factor in driving our carrying trade from the ocean. The mere apprehension of meeting a German cruiser—and no doubt some of them will be scattered on the seas—would raise rates of insurance and create a preference for a boat under the American flag.

I repeat what I have said: I do not think anyone can tell how many boats will come to an American registry. The Norwegian fleet is large, and that country will no doubt remain neutral. The routes of traffic which its boats have followed will probably be disarranged and the freight for carriage very much diminished, so that it is very likely a considerable number of boats of this country will be diverted from their present routes to engage in the trade between the United States and Europe; but we can not afford, in the present very serious situation, to place undue reliance upon foreign ships.

I think we should make all possible provision to give preference to our own licensed officers. The shipping trade has been depressed, and they should have the best possible opportunity, provided it does not attain the proportions of a monopoly.

I would call the attention of the Senate to the fact that everyone who takes out a master's license or a watch officer's license must pass an examination. No doubt that would be conducted in the English language. It would be somewhat easier for foreigners to pass it in that language, because so many nautical terms are English; but the pending bill does not do away with the requirement for an examination and investigation as to fitness and experience. Again, the candidate must take an oath, just as a man does who enters the military service or the civil service. I am inclined to think it more or less of a bugaboo that there is any danger of a German officer or a French officer managing a boat with an American registry for the benefit of his own country. Why, as it is now, Mr. President, the great majority of our crews are foreign. Unfortunately, the American does not take to the sea; and not only in our foreign trade, but upon our domestic ships, including even the Lake trade, the very considerable majority of the seamen, aside from the officers, are foreigners.

An officer has a spirit of loyalty to his duty. I take it, according to the general definition of piracy, it would be an act of piracy for an officer so to direct a boat that she may turn from her prescribed course into a foreign port for the advantage of Germany or France or some of the other Nations at war.

I wish to call attention to a limitation in the House bill to which no notice has yet been called:

That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

It will be borne in mind that the words "so far" mean that he can make distinctions. He can make an order that the captains shall not be excluded from the law. He can order that this provision shall apply only to boats of a certain size. He can prescribe that the exception shall apply only to those engaged in trade in a certain direction. We must all recognize that with the existing condition of affairs abroad, with light-houses darkened and buoys removed, it would be quite desirable that a certain number—perhaps not all—of those who act as navigating officers should be men who know something of the foreign channels. While the President belongs to a different political organization from that to which I subscribe, I feel that it is entirely safe to vest this discretion in his judgment. I am sure that he will look out for the American sailor, that he will look out for the American officer. No doubt instructions will be issued to the inspectors to judge carefully of the character of the men who apply for licenses, and that there will be no discrimination against American officers.

A fourth argument is made that foreign complications will be created by the passage of this bill. What foreign nation can complain? Practically all of them to-day allow the purchase of foreign ships without let or hindrance. In passing this bill we are only to a limited extent putting our regulations on the same footing with theirs.

But there is another point which is even stronger. The whole commercial world recognizes that the carrying trade to and from the United States has been enormously large, and it is further recognized that that traffic has been carried in foreign bottoms. Yet now, by reason of a war the appalling nature of which as yet we can only faintly realize, that agency for carrying our products is very seriously interfered with, if not entirely cut off. What foreign nation could raise its voice against our taking measures which are absolutely necessary for the continuance of our trade and for the maintenance of our very business and industrial life?

This is a question which, like many others—a rational banking system, for instance—does not alone affect merchants and shippers; it affects every class of our varied population. Merchants, manufacturers, farmers, those on salaries, the men who toil for wages—it affects them all. For our very life we must provide some way in which the products of other countries can be brought here and ours can be shipped abroad. No nation in reason could for a moment raise any objection.

Of course, Mr. President, there will be a good deal of bitterness in this conflict, and I anticipate that foreign combatants will seize ships under the American flag when they have a chance; but that would happen whether this bill were passed or not.

In order to make the treatment of this subject more complete I will read, briefly, the rule in regard to the transfer of ships before or after the outbreak of hostilities, taken from a stand-



ard work on international law. This is the ninety-first section of Mr. Oppenheim's work on International Law:

(1) According to article 55 of the declaration, the transfer of an enemy vessel to a neutral flag, if effected before the outbreak of hostilities, is valid, unless the captor is able to prove that the transfer was made in order to avoid capture. However, if the bill of sale is not on board the transferred vessel, and if the transfer was effected less than 60 days before the outbreak of hostilities, the transfer is presumed to be void, unless the vessel can prove that such transfer was not effected in order to avoid capture. To provide commerce with a guaranty that a transfer should not easily be treated as void on the ground that it was effected for the purpose of evading capture, it is stipulated that, in case the transfer was effected more than 30 days before the outbreak of hostilities, there is an absolute presumption of its validity, provided the transfer was unconditional, complete, and in conformity with the laws of the countries concerned; and further, provided that neither the control of nor the profits arising from the employment of the vessels remain in the same hands as before the transfer. But even in this case a vessel is suspect if the transfer took place less than 60 days before the outbreak of hostilities, and if her bill of sale is not on board. Hence she may be seized and brought into a port of a prize court for investigation, and she can not claim damages for the capture, even if the court releases her.

(2) According to article 56 of the declaration, the transfer of any enemy vessel to a neutral flag, if effected after the outbreak of hostilities, is void unless the vessel can prove that the transfer was not made in order to avoid capture. And such proof is excluded, and an absolute presumption is established that the transfer is void, if the transfer has been made in a blockaded port or while the vessel was in transitu; further, if a right to repurchase or recover the vessel is reserved to the vendor; and lastly, if the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing have not been fulfilled.

The question of the transfer of enemy vessels to subjects of neutral States, either shortly before or during the war, must be regarded as forming part of the larger question of enemy character, for the point to be decided is whether such transfer divests the vessels of their enemy character. It is obvious that, if this point is answered in the affirmative the owners of enemy vessels can evade the danger of having their property seized and confiscated by selling their vessels to subjects of neutral States. Before the declaration of London, which is, however, not yet ratified, the maritime powers had not agreed upon common rules concerning this subject. According to French practice, no transfer of enemy vessels to neutrals could be recognized, and a vessel thus transferred retained enemy character; but this concerned only transfer after the outbreak of war. Any legitimate transfer anterior to the outbreak of war did give neutral character to a vessel. According to British and American practice, on the other hand, neutral vessels could well be transferred to a neutral flag before or after the outbreak of war and lose thereby their enemy character, provided that the transfer took place bona fide, was not effected either in a blockaded port or while the vessel was in transitu, the vendor did not retain an interest in the vessel or did not stipulate a right to recover or repurchase the vessel after the conclusion of the war, and the transfer was not made in transitu in contemplation of war.

The declaration of London offers clear and decisive rules concerning the transfer of enemy vessels, making a distinction between the transfer to a neutral flag before and after the outbreak of hostilities.

I read this brief selection because in less than two pages it states the law of the subject. It is all a question of good faith.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from North Carolina?

Mr. BURTON. Yes.

Mr. SIMMONS. I wish to ask the Senator from Ohio for some information with reference to the London conference, from which he has just read.

My understanding is that, with the exception of France, which probably for a long time had a different rule from the other nations of the world, up to the time of the London conference it was a well-recognized principle of international law that a neutral might even during hostilities, or after the outbreak of hostilities, buy a belligerent ship. The London conference seems to have adopted some rules qualifying that general doctrine. My understanding is that the United States has never agreed to that, and that Great Britain has never agreed to it.

What I desire to ask the Senator is, To what extent has the so-called London conference become operative, and what countries became parties to that conference so as to make it binding upon them?

Mr. BURTON. It has not become operative at all in the sense of formal adoption by the nations represented.

Mr. SIMMONS. That was my impression.

Mr. BURTON. But it is like the declaration of Paris, made in 1856; it has been accepted in principle by a very considerable number. It is said that the principles laid down by the conference were observed even by Turkey in the recent struggle with the Balkan States.

Mr. SIMMONS. It was not a condition of the conference that it should not be operative unless it was signed or accepted by so many of the parties who participated?

Mr. BURTON. Oh, yes. It is not binding on anyone.

Mr. SIMMONS. It is not binding anywhere?

Mr. BURTON. No.

Mr. SIMMONS. It is a mere declaration that certain acts would be recognized as the law on the subject?

Mr. BURTON. Yes.

Mr. SIMMONS. Can the Senator name the countries that have recognized that as the law?

Mr. BURTON. It was very generally recognized. I think I have in my desk a list of the signatory powers. Germany, France, and practically all the other great maritime powers agreed upon it. I really do not regard it as a backward step from the views that prevailed before that time, because most of the nations had very strenuously asserted their right to seize vessels formerly belonging to an enemy after transfer to a neutral flag. A main object was to secure uniformity. It will be noticed that the rules are very carefully laid down which prevent a transfer from being regarded as a bona fide purchase where made to avoid the consequences of hostilities.

There is this point which, it seems to me, should be taken into account in considering these rules. The discussions in various conferences on this subject have never been with a view to just such a situation as that in which we are placed. The object to be attained has been to prevent fraudulent transfer. Of course anyone knows that if a citizen of a country at war has a ship that is in a blockaded port he would like to transfer it to some citizen of a neutral country in order to save his property. That would be fraudulent. Also, if it is in transitu on the ocean, and it is feared that there are cruisers or warships of an enemy in the neighborhood, it would be very desirable to transfer that boat. That also would be in bad faith. Our situation, however, is the one I have already outlined—a prior dependence upon foreign bottoms for our carrying trade, the at least partial elimination of that means, and the necessity of providing for the carrying of commodities to and from the United States in ships presumably our own, which in the greatest possible degree will be free from seizure or interference.

I do not deny that this war may assume such bitterness and there may be such an effort to shut off the products of the United States from other countries that ships under the American flag will be seized and taken into foreign ports, and all the rules of international law in a measure disregarded; but, in any event, that is a chance we must take. It is to be hoped that our country will conduct itself with such dignity, and there will be such a respect for our power and desire for our friendship and good will, that no nation at war will hastily seize a ship that carries the American flag.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. BURTON. I do.

Mr. SUTHERLAND. There is now, as we are informed, a famous German ship at Bar Harbor, Me. The ship, as I understand, left the port of New York some time ago, bound for Germany; but, fearing capture, it put into that somewhat out-of-the-way harbor.

Under this bill, if it be passed, it would be possible, I take it, for that German ship to be sold to American citizens and for the President to authorize the retention of all of the German officers and the entire German crew, and, under those circumstances, for the ship to put to sea and sail for a German port.

Now, suppose that while that is going on, the ship flying the American flag, it is observed by an English cruiser. The captain of the cruiser knows the ship. It is a well-known ship. He knows it is a German ship, but it is carrying the American flag. He takes possession and he finds when he goes aboard that the only change that is made in the vessel is that the German flag has been taken down and the American flag has been put up, and he finds a bill of sale and an American registry.

Does not the Senator think that under those circumstances the captain of the English cruiser would in all probability seize the ship, and if that were done, would it not involve us in rather an unpleasant incident?

Mr. BURTON. Of course in the extreme case mentioned the fact that the boat is turned over with all her officers and crew would be a circumstance which would tend to influence a prize court to conclude that the transfer was in violation of proper international usage; but there would be other considerations which nevertheless should prevail—the good faith of the transaction and the transfer, the nature of the cargo that is to be sent, and so forth. Of course if she had contraband on board that would raise another question, even if the transfer to the United States were regarded as valid and binding. If there were a bill of sale, if there were a real transfer to a neutral, if the vessel were engaged in such trade as an American ship would engage in, the presumption would be that the transfer was valid, whatever the crew.

Mr. SMOOT. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. BURTON. Certainly.



Mr. SMOOT. In that connection I wish to ask the Senator another question. Suppose all the conditions existed as my colleague has just stated, and upon investigation it was found that the owners of this same boat had sold it to an American company with five American directors, and it developed upon an investigation that the five American directors had five shares of stock apiece, or just enough to qualify, as directors, and that the balance of the stock was owned by the same owners that own the ship to-day, do you think a foreign power would construe such a transfer as a bona fide one? Is it not true that under this bill such a transfer could be made?

Mr. BURTON. Of course you can put down such a hypothetical case as that. Naturally it would be a very suspicious circumstance. It would come near to creating a presumption that it was a subterfuge adopted to get that boat under a foreign flag.

Mr. SMOOT. But that is wholly within the provisions of this act. There is nothing in it to prevent it.

Mr. BURTON. I think, however, you would have to go far afield from probable applications of the act to present such a possible situation as that.

Mr. SMOOT. It looks to me as though it were one right at our door; that if foreigners owning a vessel under the conditions existing to-day in the world desire to have the American flag to protect them temporarily only, it would be very easy for them to sell to an American corporation, take out an American registry, and let them hold enough stock to qualify in the State in which they organized the company, and then the balance of the stock would be owned entirely by the foreign owners of the ship. I can not see that there is anything in the bill, unless there is some amendment which will be accepted to it, to prevent such a transaction.

Mr. BURTON. It is altogether unlikely that such a situation as that would arise. If it did arise, the property interests of our citizens in the ship seized would be reduced to a minimum, because the five directors, each of whom had one share, would have no very great financial interest in the boat.

Mr. McCUMBER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. BURTON. Therefore it would be the loss of the citizens of the foreign nation if the ship were condemned in a prize court.

Mr. SMOOT. But it would be an American company.

Mr. GALLINGER. The American cargo, if there was a cargo on that ship, could be condemned under the claim that the registry was a mere pretense.

Mr. BURTON. As I said, every man who buys a ship flying the American flag under such circumstances must take the chances of a very tense situation. Some prize courts might be disposed to be severe. I yield to the Senator from North Dakota.

Mr. McCUMBER. The questions just propounded to the Senator would be questions that would involve the good faith, the bona fides of the transaction; but I want to put another hypothetical question to the Senator, that we may have a fair construction of the true intent and meaning of what he has stated is the prevailing rule. Suppose there is an English or a German vessel crossing the Atlantic to one of our ports. A cruiser of the enemy is following it up. It, however, has succeeded in getting into our ports. The cruiser is waiting for it to come out where it may be attacked. Can it then be said that either the Government or its citizen even has purchased it in good faith, and it thereby escapes becoming a prize to a vessel that may have followed it clear across the ocean?

Mr. BURTON. And is watching for it to come out?

Mr. McCUMBER. And is watching for it to come out again.

Mr. BURTON. Of course, if the court would take up that question, there is no way of forecasting how a court may decide it, at least without understanding facts which determine the good faith of the transaction. It would seem very probable that the captors would have to prove the transfer was not in good faith.

Mr. McCUMBER. Suppose the transfer was in good faith; suppose we wanted that ship, does the Senator believe that, under the law of nations, we would have the right in good faith to purchase and own that ship and thereby deprive the vessel that had followed her clear across the ocean in war from the benefit of the prize and thereby escape by having the transfer made?

Mr. BURTON. I would say yes; our commercial interests and national rights in property are very much more important than the accommodation of a cruiser that chases a foreign ship into one of our ports.

Mr. McCUMBER. Then the Senator also believes that we can take the *Kronprinzessin Cecilie* that is said to be at one of the ports of Maine, and if there were a British vessel watching for her to come out, she could escape that by selling in good faith and transferring the ship to American owners.

Mr. BURTON. The rights of contract are not suspended by the existence of war. The rights of a neutral nation are still preserved. If the sale is made in good faith, why may it not be made? It is true the London conference provided for a period of 30 or 60 days.

Mr. McCUMBER. Even if it were held in good faith, are we not assisting one of the belligerents? Are we not assisting them in securing a disposition of their property which otherwise would fall in the hands of the enemy?

Mr. BURTON. Suppose the foreign nation had shipped into our ports certain commodities that we needed and were willing to buy, but the money would be immediately sent back to that nation and would very much strengthen it in war with another power, is there any reason why we should not buy those commodities?

Mr. McCUMBER. In that instance the money paid for the commodities would be subject to capture. In this case it might remain in any bank of the United States. That is a different proposition.

Mr. BURTON. I think in a matter of this kind it is desirable for us to adhere to the main proposition, which is the giving to foreign ships, whether they belong already to American capitalists or are to be acquired from foreign owners, a status which will maintain as far as possible our ability to export our products. You can present hypothetical cases, you can engage in conjectures as to what a court will do, but let us adhere to the main point and provide for this situation.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Will the Senator from Ohio yield to the Senator from Illinois?

Mr. BURTON. Certainly.

Mr. LEWIS. I desire to ask the able Senator from Ohio if he understands what proportion of stock interested in the ownership of the *St. Louis* and the *St. Paul* is held by English interests?

Mr. BURTON. I may say that I had once or twice sought to obtain as nearly as possible the exact facts, and the information is not altogether satisfactory. The International Mercantile Co. is a holding company. It has, I think, common and preferred stock. It has its bonds. That stock and those bonds, I take it, are very largely held in the United States. It took over, however, a plurality of companies—the White Star Co., the largest, the Atlantic Transport, the Leyland, the Red Star, and so forth. All those boats were subject to bonds, and those bonds are held in Europe, and the securities of the International Mercantile Marine, as the market quotations will show, are far below par. So there is a substantial financial interest, if not a majority interest, at least, in most of those lines in Europe.

Mr. LEWIS. Therefore, I call the attention of the Senator from Ohio to this position: If the objections urged by the able senior Senator from Utah [Mr. SMOOT] are to be urged, and if the fears expressed by the equally able Senator from North Dakota [Mr. McCUMBER] are to be realized, would not the following also be likely to transpire? Could not these vessels—the *St. Louis* and the *St. Paul*—be proceeded against by Germany, notwithstanding they had been carrying the American flag for years and had been sailing under American colors, and taking our products or our passengers, rather our products for this purpose, to Europe? I am impressed with this thought, that if the objection urged by the two distinguished Senators can be well taken as to those hereafter to be purchased, it may likewise be taken as to these ships we now have merely because a large percentage of the proprietary interest is in English possession. Since the English possession predominates, instead of carrying the English flag it is an American flag carried upon an English bottom, and would it not be a violation of neutrality? Particularly I beg to maintain that it could be reached if there were a case raised for the purpose of reaching it. Could we protect ourselves even if we built a ship at the wharves of San Francisco where a German company had a proprietary percentage, as the able Senator from Utah seems to fear?

Mr. BURTON. The real vital point first is the registry of the boat, and then the country of incorporation. I think, however, there is a difference not only in degree but in kind between such a hypothetical case as the Senator from Utah mentions, a case which I regard as altogether improbable, and that of the International Mercantile Marine Co. In the first place, in degree because there is a large number of shares whether they are at par or not, a very substantial property interest,



held in the United States. In the next place, there has been for years a series of combinations or a combination of companies controlled by an American organization. In the other case, boats, all of them formerly under some other flag, were turned suddenly over to the American flag. The good faith of such a transaction would be questioned.

Mr. SMOOT. But the Senator will admit that they could not question the good faith of the company as to the boats that carried the American flag before the declaration of war.

Mr. BURTON. Oh, no. Those carried the American flag anyway.

Mr. SMOOT. That is the difference between the substance of my question and the substance of the question of the Senator from Illinois.

Mr. LEWIS. I agree that there would be a decided advantage in behalf of the ships which had previously carried the flag because the presumption would be in their favor, but I also urged that if it be true that back of that is the ownership in foreign hands that could be used as a reason of objecting to these ships just as completely as if the question of ownership had been subsequently raised.

Mr. BURTON. Generally speaking, it would raise the same point.

Mr. SMOOT. The only difference would be that there would be no question of transfer involved. The good faith of it could not be questioned. There was no transfer and they would be going along and doing business as they had been doing it in the past.

Mr. LEWIS. Let me see if I understand the Senator from Utah. He draws the distinction in the matter of registry.

Mr. SMOOT. Certainly; that is where the difference between the two countries would be lodged if there was a difference. It would be the question of registry and the bona fide transfer of the ship itself.

Mr. LEWIS. I would admit that the preceding date of registry anticipating the declaration of war would, of course, offer much evidence in favor of the ship, but I thought the able Senator from Utah addressed his query to the Senator from Ohio based only upon the question of ownership, that the claim might be made by a foreign belligerent that a ship might fly an American flag and be in foreign possession, and because of that ownership it would be the subject of seizure as a violation of neutrality.

Mr. SMOOT. That was not my question. My question was this: Suppose the *Kronprinzessin Cecilie*, now at Bar Harbor, Me. Of course we all understand that she is owned by a German company. It sails under the German flag. Suppose the owners of that ship now decide that they would like to have that ship under American registry sail under the American flag. In order to accomplish that they would sell it to an American company organized for the purpose of purchasing that boat. There would be five American directors, we will say, in that company owning one share or five shares apiece, or as many shares as the laws of the State in which it was incorporated would require, and the balance of the stock of the American company is owned by the exact individuals who own the ship itself to-day under the German control. Then, would a foreign nation, knowing this, have a right to say that that transfer was not a bona fide transfer? Whether that transfer was made in good faith or not, suppose the ship was seized upon the high seas and that question arose, I think that under this bill there is nothing to prevent it, and I believe there ought to be an amendment to the bill to prevent it.

Mr. O'GORMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. Certainly.

The PRESIDING OFFICER. The Senator from Ohio [Mr. BURTON] is entitled to the floor.

Mr. BURTON. I understand there is a bill of some urgency for reasons which will appeal to every Member of the Senate that my colleague [Mr. POMERENE] desires to take up, and I prefer to yield to him first.

Mr. LEWIS. I yield the floor.

Mr. BURTON. I yield the floor absolutely.

Mr. POMERENE. Mr. President—

Mr. GALLINGER. If the Senator from Ohio has yielded the floor, I desire recognition. Then I will yield to the Senator from Ohio [Mr. POMERENE].

The PRESIDING OFFICER. The Chair will recognize the Senator from New Hampshire.

Mr. GALLINGER. I yield to the Senator from Ohio.

BUILDINGS ALONG ALLEYS IN THE DISTRICT OF COLUMBIA.

Mr. POMERENE. I report from the Committee on the District of Columbia on the bill (S. 1624) to regulate the construction

of buildings along alleys in the District of Columbia, and for other purposes (S. Rept. 720), with a recommendation that it pass with an amendment. I ask unanimous consent for its consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment was, on page 3, line 8, at the end of section 1, to add:

The use or occupation of any building or other structure erected or placed on or along any such alley as a dwelling or residence or place of abode by any person or persons is hereby declared injurious to life, to public health, morals, safety, and welfare of said District; and such use or occupation of any such building or structure on, from, and after the 1st day of July, 1918, shall be unlawful.

So as to make the bill read:

Be it enacted, etc., That from and after the passage of this act it shall be unlawful in the District of Columbia to erect, place, or construct any dwelling on any lot or parcel of ground fronting on an alley where such alley is less than 30 feet wide throughout its entire length and which does not run straight to and open on two of the streets bordering the square, and is not supplied with sewer, water mains, and gas or electric light; and in this act the term "alley" shall include any and all courts, passages, and thoroughfares, whether public or private, and any ground intended for or used as a highway other than the public streets or avenues; and any dwelling house now fronting an alley less than 30 feet wide and not extending straight to the streets and provided with sewer, water main, and light, as aforesaid, which has depreciated or been damaged more than one-half its original value, shall not be repaired or reconstructed as a dwelling or for use as such, and no permit shall be issued for the alteration, repair, or reconstruction of such a building when the plans indicate any provision for dwelling purposes: *Provided*, That rooms for rooms or stables to be employed in the building to be erected, repaired, or reconstructed may be allowed over stables, when the means of exit and safeguards against fire are sufficient, in the opinion of the inspector of buildings, subject to the approval of the Commissioners of the District of Columbia; and no building now or hereafter erected fronting on an alley or on any parcel of ground fronting on an alley less than 30 feet wide and not otherwise in accordance with this act shall be altered or converted to the uses of a dwelling. Any such alley house depreciated or damaged more than one-half of its original value shall be condemned as provided by law for the removal of dangerous or unsafe buildings and parts thereof, and for other purposes. No dwelling house hereafter erected or placed along any alley and fronting or facing thereon shall in any case be located less than 20 feet back clear of the center line of such alley, so as to give at least a 30-foot roadway and 5 feet on each side of such roadway clear for a walk or footway, and any stable or other building hereafter placed, located, altered, or erected on or along such alley upon which a dwelling faces or fronts shall be set back clear of the walk or footway the same as the dwelling or dwellings, but the fact that dwellings are located in such alleys shall not affect the location of stables or other buildings otherwise. The use or occupation of any building or other structure erected or placed on or along such alley as a dwelling or residence or place of abode by any person or persons is hereby declared injurious to life, to public health, morals, safety, and welfare of said District; and such use or occupation of any such building or other structure on, from, and after the 1st day of July, 1918, shall be unlawful.

Sec. 2. That any person or persons, whether as principal, agent, or employee, violating any of the provisions of this act or any amendment thereof for the violation of which no other penalty is prescribed, shall, on conviction thereof in the police court, be punished by a fine of not less than \$10 nor more than \$100 for each such violation, and a like fine for each day during which such violation has continued or may continue, to be recovered as other fines and penalties are recovered.

Sec. 3. That the act of Congress approved July 22, 1892, entitled "An act regulating the construction of buildings along alleyways in the District of Columbia," and all laws or parts of laws inconsistent with the provisions hereof, are hereby repealed.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### REGISTRY OF FOREIGN-BUILT VESSELS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Mr. GALLINGER. Mr. President, there is a great temptation on my part to discuss at this time at considerable length a question that has been very near my heart for many years, that of the rehabilitation of the American merchant marine. Indeed, I have in my desk a prepared speech that I think would be somewhat illuminating on this subject, if I felt like taking the time of the Senate to deliver it, but I propose to desist from doing so to-day.

I am aware of the fact, Mr. President, that any suggestion made against the bill under consideration will be taken up by certain hysterical persons and denounced as unpatriotic, and yet I will submit myself to the possibility of criticism along that line by calling attention to some facts that I think are worthy of serious consideration.

I know, Mr. President, that it is not convincing, nor, as a rule, is it perhaps a matter of good taste, for one to say "I told you so"; and yet it interests me to look back over the discussion of this question for the past 10 years or more to see exactly what has been said by some of us. On the 8th day of



January, 1906, I submitted some observations to the Senate, taking for my text these words:

The United States alone leaves its merchants, manufacturers, and farmers at the edge of the ocean to get their goods over seas as best they may—by some accident of trade or the grace of their foreign rivals. If we lag in the world's markets, if we fall behind even in the Philippines, our own possessions, if we see Germany striding ahead of us in the Orient, and all Europe grasping South America by commercial bonds stronger than the Monroe doctrine, the fault is our own, and in our own hands lies the remedy.

In that connection, Mr. President, I also said this, and I was gratified a little time ago to observe that the President of the United States in calling attention to the merchant-marine question repeated substantially the idea that I expressed eight years ago—

What department store in any American city, engaged in a sharp contest for business, would dream of intrusting to a rival store the delivery of its goods to its customers? Is it not a fundamental principle of such keen competitive business—with which the rivalry of America and Europe in international commerce may not inaptly be compared—is it not the prime instinct of every successful merchant in such business to maintain an active and comprehensive delivery service of his own? Would any merchant conducting such a store sell or lay up his own wagons and neglect to provide others, even if his competitor offered to do the work more cheaply? It would be a poor judge of human nature, indeed, who would consent to such a proposition. His fellow merchants, partners, or assignees in the bankruptcy proceedings, that would certainly ensue, would have grave question of his sanity.

Yet the stupid merchant who turns his delivery service over to his rivals rather than be bothered with it himself has one conspicuous exemplar among the nations in the person of the United States.

And, Mr. President, during the discussion of this question, going back particularly to the report of the merchant-marine commission, one of the points that has been urged in season and out of season, by those who opposed the legislation, has been that we ought not to complain because foreign ships carry our products, provided they carry them as cheaply or cheaper than they can be carried in American ships, but we have, Mr. President, because of the crisis that is upon us, apparently learned the lesson that it is best for us to do our own business in our own way on the ocean as well as on the land.

In that same speech, Mr. President, I quoted from the report of the Merchant Marine Commission, made in 1905, which commission was composed of five Members of this body and five Members of the House of Representatives, who concurred in a unanimous report, the following, which I commend once more to the Senators who have always voted against merchant-marine legislation:

A new merchant fleet in over-seas commerce of 2,000,000 tons would give the United States the same high rank in merchant shipping which it now holds through its great and powerful Navy. This Navy is now costing \$100,000,000 a year, and it is grandly worth it. Nobody who wants the merchant marine built up would have the Navy cut down. The great men of the Navy are powerful champions of the merchant marine. Every strong friend of the merchant marine is a strong friend of the Navy also. The foe of one is apt to be the foe of both. But the Merchant Marine Commission would urge with all earnestness that a great nation, expending \$100,000,000 a year upon its Navy, can justifiably devote from one to seven millions a year to the encouragement of its merchant shipping, and that the nation which is preparing to build the Isthmian Canal must stir betimes to build its own ships if it would have its flag borne through the great waterway on something else than yachts and men-of-war.

Unless the American people begin now, at once, to give some heed to their neglected merchant shipping, they are likely to realize when their canal is completed that they have spent three hundred millions of American money to subsidize the ships and the trade of foreign governments.

That sounds a little prophetic, Mr. President, but still more prophetic were the words of Mr. Blaine in his last speech made in this body in the year 1881. He was engaged in a famous debate with Senator Beck of Kentucky, one of the ablest men who ever represented that State or any other State in the Senate of the United States. Mr. Blaine said:

It is a fact equally remarkable that for the past 25 years, or make it only for the past 20 years, from the beginning of the war to this hour, the Congress of the United States has not done one solitary thing to uphold the navigation interests of the United States. Decay has been observed going on steadily from year to year. The great march forward of our commercial rival of old has been witnessed and everywhere recognized, and the representatives of the people of the United States have sat in their two houses of legislation as dumb as though they could not speak, and have not offered a single remedy or a single aid.

During these years in which Congress has not stepped forward to do one thing for the foreign commerce of this country, for all that vast external transportation whose importance the Senator from Kentucky has not exaggerated, but has strongly depicted, the same Congress has passed 92 acts in aid of internal transportation by rail; has given 200,000,000 acres of the public lands, worth to-day a thousand million dollars in money, and has added \$70,000,000 in cash, and yet, I repeat, it has extended the aid of scarcely a single dollar to build up our foreign commerce.

What was true in 1881, Mr. President, as depicted by Mr. Blaine, what was true in 1905, as depicted by the report of the Merchant Marine Commission, is true to-day, and we are absolutely and utterly without a merchant marine that is even respectable in name.

Mr. President, on Monday, March 4, 1907, the closing day of a Congress, a bill was before this body which to my mind would have done a great deal toward building up the merchant marine of the United States. It had passed the Senate and had come over from the House of Representatives with an amendment which the friends of the bill would have been glad to have accepted, but it was filibustered to death by Senators on the Democratic side of the Chamber. When the hour for final adjournment had almost arrived I said to the Senate:

I thank the Senate for listening to me in this closing hour of the session. While I acknowledge defeat to-day, my faith in the good sense and patriotism of the American people leads me to see success in the not distant future. We need American ocean mail lines to Europe, to South America, and other distant markets, and we shall have them. We shall have an American merchant marine and a naval reserve. We shall not go on forever, as we are going now, paying \$200,000,000 every year in freight, mail, and passenger money to the shipowners of foreign nations, our rivals in trade and possible enemies in war.

Mr. President, during those debates I called attention, and very likely other Senators called attention, to two points that we thought of commanding consequence. One was that if all the leading foreign nations were engaged in war we would have no ships with which to transport the products of our factories and our farms to foreign markets. That, Mr. President, is precisely the situation that confronts us to-day. The prediction has been absolutely and literally fulfilled. The great nations of the world are in war, their ships of commerce are withdrawn from the oceans of the world, and we, with a merchant marine of which every patriotic American ought to be ashamed, find ourselves powerless to convey the products of our factories and our farms to the markets of the world.

One other suggestion was made, which was that if this country should be engaged in war with any one of the great nations of Europe we would be at their mercy because of the fact that we had not an adequate number of auxiliary ships to convey to our war ships needed supplies, the very condition that existed when our war fleet made the journey around the world.

Mr. President, the legislation relating to the rehabilitation of the American merchant marine has been defeated year in and year out because of prejudice in one section of the country and provincialism in another section.

I do not question, Mr. President, the sincerity of any Senator or any Member of the other House of Congress who has differed from me in opinion, but I do say that it is a reproach to the American Congress that some legislation has not been agreed upon that would give us a merchant marine that would have answered our purpose in the crisis that is now upon us.

Every effort that has been made has been met with the cry of "subsidy" and the other cry of a "Shipping Trust." Because of that cry legislation has been defeated. It is now proposed to meet the present emergency that is upon us by buying up a lot of foreign tramp steamships, doubtless at a largely increased cost over their real value, to officer them with foreigners, man them with crews of Lascars, Chinese, and possibly Hindus, waive all the requirements as to register, inspection, and measurements, and then hoist the American flag and call it an American ship. We are told that by breaking down the navigation laws of our country and adding a lot of old foreign junk to our shipping we are going to build up an American merchant marine. What utter unpardonable folly that is.

Not only that, but the Senator from Ohio, who consistently, and no doubt conscientiously, has heretofore opposed all efforts to pass shipping laws that some of us believed would reestablish our merchant marine, has to-day intimated that he is disposed to believe that in the near future our laws relative to the coastwise shipping of the United States will be modified, if not repealed.

It is an absurdity, Mr. President, for any man to try to persuade himself that if this law is passed it will provide anything like an adequate merchant marine for the United States. I have believed that if we will turn our attention in the direction of American ships rather than in the direction of England and Germany and Holland and Sweden and Norway and Japan in search of secondhand ships of foreign build we have enough American ships to-day under the American flag to meet this emergency. Believing that, a few days ago I offered a resolution, which was agreed to by the Senate, as follows:

*Resolved*, That the Secretary of Commerce is hereby directed to make careful inquiry into the possibility of securing vessels now engaged in the coastwise trade of the United States for transfer to the foreign trade, with a view to meeting the present emergency in overseas transportation, report to be made to the Senate at the earliest practicable day.

The report on that resolution has not yet come to the Senate, but I shall be greatly interested to read it when it is presented to this body. I notice in the newspapers of this afternoon that the Secretary of Commerce says there will be ships enough to take care of our exports, so perhaps that is the reason he has not made reply to the resolution.



Two hours ago, Mr. President, a telegram was handed to me. It is dated New York, August 6, and reads:

New York, August 6, 1914.

Hon. J. H. GALLINGER,  
United States Senate, Washington, D. C.:

Strongly urge that amendment be made to House bill admitting foreign vessels to American registry that a bond of \$10 per registered ton be given by applicants that the vessel will remain under the American flag at least five years, so that only bona fide vessels will be admitted; and further, that master and officers should swear out a declaration of intention to become American citizens, otherwise the American flag will be used as a shield to foreigners who will organize a State corporation with American agents as officers which will leave the actual ownership in the hands of the old owners. These ships will be put back under the foreign flag at the close of the war because of the cheaper cost of operation and upkeep. This bill should not be considered hastily. Ten American ships were chartered yesterday for foreign trade, and there are 200 American steam and sailing vessels available for the transportation of merchandise to foreign countries which will be able to transport 2,000,000 tons of products to foreign markets in the next four months. These, together with the Norwegian and Spanish tonnage and other neutral nations, will be able to move the United States exports. All of the neutral flags will be compelled to come to this country for cargoes owing to the transportation in Europe being entirely tied up.

F. S. PENDLETON,  
President Atlantic Carriers' Association,  
130 Pearl Street, New York, N. Y.

Mr. President, if that statement is accurate—and I take it that it is accurate—it looks to me as though we need not put ourselves in an attitude of buying a lot of old worthless ships from foreign nations, waiving all the requirements of our navigation laws and putting them under the flag of the United States. The suggestion that the Norwegian and Spanish tonnage will naturally turn its attention to our shores is doubtless true, as the trade with England, France, and Germany will be cut off, and the ships from neutral countries will naturally come to us to get cargoes, and this, in addition to what our own ships can convey, will probably suffice. If 10 American ships were chartered yesterday in New York, and if it be true that there are a large number in the coastwise trade that can be utilized for foreign service, it occurs to me that we should at least make careful inquiry into the matter and determine the facts with absolute certainty before we engage in the kind of legislation that is now contemplated.

Mr. President, I want to read an editorial from an extremely conservative newspaper, a paper whose accuracy is never questioned in New England. It is from the Boston Transcript of August 4, 1914. The editorial is headed "Beware of whitewashed ships." It reads:

President Wilson means well; so do his lieutenants who hurriedly framed the emergency shipping measure which yesterday passed the House in Washington. They mean well, but they have blundered. . . . The solemn protests of the Republican leaders of the House, from great commercial States, who described the bill as a "subterfuge" and a peril, are abundantly justified. Unless the bill is radically amended or rejected by the Senate there is danger that within a month the United States will become involved in Europe's conflict.

International law and practice absolutely forbid the evasive transfer of foreign merchant ships to another national flag after the actual outbreak of hostilities. The American delegates advocated and accepted such an agreement in the London conference of 1909. A law has been upon the Nation's statute books for nearly two years allowing American registry for the overseas trade to all efficient, seaworthy foreign-built ships less than five years old owned and controlled by American citizens. Not one ship of any kind has hoisted the American flag under the terms of this free ship policy which, under normal trade conditions, has been proved to be wholly ineffective. If any foreign vessels are now admitted to American registry under such a plan as the President proposes, the very act will of itself be an acknowledgment that the motive of the transfer is a desire to escape capture, and a ship thus "whitewashed" will be held an outlaw all over the world. It will be particularly liable to attack and confiscation, and if our Government endeavors to defend it in defiance of the soundest principles of international law and morality we shall find the whole world arrayed against us.

But what, then, shall be done? The United States is by no means so helpless as the Washington authorities apparently imagine. There are excellent American coastwise steamships, many of them with passenger accommodations, in our Atlantic ports which can be employed in an emergency to bring American refugees from Europe. The resources of the six American liners already in that service can be utilized to their utmost capacity by quickly succeeding voyages. Certain swift cruisers and transports can be temporarily secured from the Navy Department under the timely bill of Senator WEEKS which the Senate yesterday passed without opposition. For the carrying of grain and cotton a larger fleet of American cargo steamers is available than persons unfamiliar with actual maritime trade have known—and all these American ships should be utilized first. They have a right to the opportunity, and their employment will be both honest and sagacious.

Not until it is absolutely demonstrated that all our own real American ships are insufficient should the first step be taken in the dangerous, almost certainly disastrous, expedient of "whitewashing" and employing foreign ships now under foreign flags. Even when these vessels are partially owned by Americans, the risk will be great and the possible consequences very serious to contemplate.

The great vivid lesson of all this panic and emergency to the American people and their lawmakers is that hundreds of American ships offered by American citizens of unquestioned nationality should have been in existence long before this all-devouring war began. They could have been procured. The task of creating an American ocean fleet was far less formidable at the outset than the task, which has been so conspicuously achieved, of creating the vast manufacturing industries of America. Instinctively the American race is an adventurous, seafaring, sea-fighting race, a race of brilliant maritime traditions in peace or

war. We have the greatest of island empires facing the two mightiest of oceans. The sea was the heritage of our fathers to their sons. In losing it we have been cheated of our birthright.

The whole Nation now sees that the defeat by narrow majorities or by vicious filibustering in Washington of the great shipping bills which Presidents McKinley, Roosevelt, and Taft successively and strenuously championed was a real national misfortune. If those bills had been enacted there would now be American steamship lines to South America and the Orient—passenger and freight lines—American lines to Europe, to Africa, to Australasia. There would have been an abundance of American ships all ready to bring our people home from Europe, to save all this anxiety and suffering, and to carry all the necessarily reduced commerce of a widespread world war.

How true that all is, and what a lesson it teaches the American Congress and the American people.

Mr. President, those of us who have been here a long time remember with a feeling of admiration the splendid fight that the late Senator Frye, of Maine, made in behalf of the American merchant marine. Year in and year out, serving as the chairman of the great Committee on Commerce of this body, he devoted his energies and his great ability to trying to procure legislation that would have put on the oceans of the world American ships under the American flag; but he was defeated in his efforts. Others of us who took up the task have likewise been defeated; and we to-day see the pitiable spectacle of a great nation, which is foremost in wealth, in manufactures, in agriculture, and in mining of all the nations of the world, with a few ships scattered over the oceans of the earth, with only six ships traversing the great north Atlantic, and five or six ships crossing the Pacific, some of them being assisted by the little British colony of New Zealand. What a spectacle is that, my countrymen!

Mr. President, this is not a matter that we can contemplate with any satisfaction or with pride as citizens of this great Republic. We ought not to have allowed ourselves to reach the condition which we have reached in reference to our American merchant marine; and whether this bill passes or not—and I presume it will pass; I shall not obstruct it—I hope it will be an object lesson to the American Congress that we ought to waive aside our prejudices, our partisanship, and our provincialism, and see to it that in the near future we pass laws that will place American ships under the American flag, under American officers, on every sea in the world. If subsidy is not the best plan, let us find some other that will rescue us from the condition in which we now find ourselves.

When I was strenuously striving to secure the passage of one of these bills through Congress, in talking with a man in public life, representing one of the Middle States, he turned to me and said, "What is there in that bill for my State? Why should I support it?" Mr. President, I have voted for many measures since I have been in public life which meant nothing to my State; and until we nationalize ourselves, until we look at these great questions not from a provincial point of view, but from a great national point of view, we will remain, so far as our merchant marine is concerned, in the same deplorable, pitiable, wretched condition in which we are to-day.

So I say, Mr. President, that whether or not this bill passes, whether or not, if it does pass, it produces any good effect so far as our interests are concerned, I hope that this discussion will at least awaken our people and awaken our public men to the necessity of taking a broad view of this question, and of seeing to it that the condition that exists to-day is remedied in the near future.

Mr. President, a friend of mine in Boston, who has studied this question perhaps as deeply as any man in this country, who has written books on the subject, honored me with a letter yesterday from which I wish to read a few lines. He first calls my attention to the fact that the Portland (Me.) Board of Trade at a special meeting took exception to the bill in its present form, and that at a meeting of the maritime committee of the Boston Chamber of Commerce resolutions were passed protesting against the bill, and favoring a subsidy for American vessels. He says:

The maritime affairs committee of the chamber of commerce, composed of men who understand the situation, reaffirmed unanimously this afternoon its opposition to the administration plan as one full of peril and almost certain to involve the United States in this war of Europe. The strongest newspaper opinion here is also against it. It ought to be possible to amend the bill in the Senate so that the discretion given to the President not to require American citizens as officers and to exempt foreign ships from American inspection could be stricken out. These clauses are, in effect, a subsidy to foreign-built as against American-built vessels—a gross discrimination against our own shipping.

An insurance authority here stated—

And this, Mr. President, is a very important matter to be considered—

An insurance authority here stated to-day that if his companies were called upon to insure any foreign vessel hastily transferred to the American flag, the rate asked would be exactly that asked of belligerents, which is practically prohibitive. This is a practical judgment—



nothing theoretical about it at all. It shows how utterly futile the administration plan would be.

This plan is urged by the very men who have fought American ship-legislation hardest. They now see that all that was predicted has come to pass, and that without ships of our own their cotton and wheat export trade is paralyzed.

The coastwise trade now is generally dull, and there are many steamers and even sail vessels that could be utilized in an emergency to carry our export and import trade. Our cruisers and transports can bring American refugees from Europe. These refugees would not be safe on any "whitewashed" foreign ship. It is a war to the death with these European newers. They will ignore every international obligation and will give no quarter to achieve their purpose. We are entering on the most terrible war in the history of the world, and it is time that the American people should know it. The men who have taken up this question in our chamber of commerce here are Democrats and Republicans, a unit in favor of subsidies along the line of your own legislation.

You will be perfectly justified in telling the Democrats and Middle Western Republicans that if they had not blocked your efforts there would be enough American ships for this emergency, and they would have the means to deliver their wheat and cotton without involving their country in war or violating all the principles of international justice.

Mr. President, I have but a word more to say. I do not like to read from newspapers in a serious discussion such as we are engaged in to-day, and yet the able men who edit our great metropolitan dailies are oftentimes better informed on public questions than those of us who are in the hurly-burly of legislation. The Boston Herald, under the heading of "Where are our ships?" says:

[From the Boston Herald, August 1, 1914.]

#### WHERE ARE OUR SHIPS?

Ninety-two per cent of all our overseas commerce—98 per cent of our vast commerce with Europe—is carried in foreign ships under foreign flags. This is one black, sinister fact that stares the American people in the face out of the European war cloud. These foreign ships are all a part of the potential war force of their several nations. Their officers and men are the "first line" of their naval reserve. When Great Britain, in her late conflict with the Boers, needed a transport and supply fleet, Boston and New York were stripped of many of their best liners, and ocean rates advanced from 100 to 300 per cent.

But the Boer War was a mere wayside skirmish compared with a general European conflict. That South African affair harassed our overseas trade; a European war would destroy it. Of the many hundreds of steamers now crossing the North Atlantic only six are American steamers, all belonging to the one concern to which a subsidy is given by our Government.

Nine-tenths of the shipping upon which the life of our foreign commerce depends fly the colors of Great Britain, Germany, France, Italy, Austria, Russia, or Japan—the very nations most liable to be drawn into the vortex of a great and widening combat. War will bring every one of their ships hurrying home, requisitioned for the national service, while commerce destroyers are let loose on every sea.

Only with the West Indies and the Caribbean ports have we any important communication under our own flag. The six American steamships in trans-Atlantic trade are matched by six in the trans-Pacific-oriental trade and three to Australasia. Their neutrality will be respected; they will be safe. But let nobody delude himself that any foreign merchant vessel, hastily "whitewashed" and transferred to our flag, as our laws now allow, will be respected for a moment. Let those who imagine this read the significant case of the *Martaban* in our Civil War.

There is only one way in which the United States can save itself from the effacement of its overseas commerce in a widespread European war, and that is by having its own ships, its own shipyards, its own officers and crews beforehand. The people of Massachusetts know this; the people of New England know it. So do the people of New York, Pennsylvania, New Jersey, California, Oregon, and Washington. The United States has almost no merchant marine to-day, because every effort for 60 years for sound, proved legislation that would create a great commercial fleet has been blindly opposed and defeated.

This would be a good time to read in the Senate and House the names of the men, and the States they hail from, that are responsible for the fact that American overseas commerce can be instantly paralyzed by a quarrel among a few foreign Governments whose ships and flags monopolize our ocean carrying. The facts are in the Record, and they are worth the prompt and serious attention of the American people.

Another editorial, Mr. President, in a leading Boston newspaper, discusses this matter with great clearness and power. I ask unanimous consent that the editorial be printed in the Record without reading.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

#### A DEVIOUS, DANGEROUS PLAN.

At the demand of the cotton-growing South and the wheat-growing West, President Wilson is wrestling now with the terrific problem of contriving our escape from the inexorable consequences of national neglect of the American merchant marine in over-seas trade—a neglect for which the South and West are themselves primarily responsible.

Maritime New England has warned these agricultural sections year in and year out of the final cost of their blind opposition to every expedient that would give the Nation American ships and American sailors. They would not listen. Now, with great crops to export and no ships to convey them, they are shouting for help, but they are blundering in their frantic search for relief as they blundered in the long obstruction that has made their present plight inevitable.

They need not hope now for much assistance from foreign shipping. Great Britain probably joins the war; Belgium is already invaded and no longer neutral; Holland and Scandinavia may be attacked at any time. Nearly all the nations to which the South and West have forced us to surrender our ocean carrying are now aflame against each other and require every man and every ship for their own use. The bill which President Wilson has caused to be introduced into Congress opening the doors more widely to American registry of foreign vessels is sure

to prove a delusion and a disappointment. Indeed, there is grave danger that it may prove even worse—that it may be the portent and cause of a terrible catastrophe.

Let it be remembered that our laws already permit the honest American registration of foreign ships less than five years old, and therefore new and efficient and properly inspected and certified as seaworthy carriers. But the extraordinary bill before Congress which President Wilson, with no practical knowledge of the sea, indorses would remove these valuable safeguards, and, in addition, suspend the prudent requirement that the principal officers of a naturalized ship shall be American citizens.

This proposition which the South and West have framed and the President favors puts an actual premium upon the use of foreign ships as against American ships, under the American flag, in the ocean trade of the United States. It is only these foreign ships that, on hoisting the American flag, are relieved from the requirement to carry well-paid American officers and to comply with our inspection laws. Is there another nation in Christendom except this, our own, where such a scheme could be introduced by a national administration without instantly and utterly destroying it?

It may be urged that there are not enough American officers—but the officers themselves through their accredited associations declare there are enough and more—that many are idle and seeking employment because of the general depression of trade; and they have earnestly protested against this bill to their Government in Washington. And why at any time, in any event, should Federal precautions for the safety of passengers, crew, and cargo be suspended against foreign ships under our flag and enforced against our own ships?

Nor is this all. The Panama Canal act, which the proposed bill amends, is fatally loose in its requirements for ownership. It prescribes, indeed, that a foreign ship in order to secure American registry for the overseas trade must be "wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States." The words which relate to corporations would allow a foreign company to present its vessels for American registry without a particle of actual American ownership except a single share of stock held by a dummy president and dummy directors.

This would comply with American law, but would it comply with the law or usage of the nations? Read what the declaration of London (1909) says on that point:

"The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel is exposed. Provided that there is an absolute presumption that the transfer is void.

"If the transfer has been made during a voyage or in a blockade port.

"If a right to repurchase the vessel is reserved to the vendor.

"If the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing have not been fulfilled."

There can be no reasonable doubt that a foreign vessel offered by foreigners, governed only by foreign inspection and registered in the name of a suddenly created corporation would be seized and confiscated, ship and cargo, when ever found, in spite of the fact that a brand new American flag—the only real American object aboard—was flying at the taffrail. Deception would inevitably bring disaster. The only American ships that are going to be respected in this terrific world-shaking conflict are the ships that were American before the war began.

There are such ships—there are many of them—mostly in the coastwise trade; many owned in Boston and officered by thorough-going Yankee sailors from Maine and Massachusetts Bay. Why should not these real American ships have a chance to carry western wheat and southern cotton? Why should "whitewashed" foreign tramps be encouraged to steal the flag and rob them of this neutral business? This is not the way to seize the present opportunity to create an American merchant marine. It is the way to destroy it.

Nothing is more inevitable than that, if Congress adopts this back-stairs method of securing foreign ships, condemned by international law and morality, it will involve the United States in this awful war before a month has ended. No belligerent navy will honor a stolen flag. There are German cruisers hovering on our coast and in the West Indies hunting French and British liners. Will the power that rushed through Luxemburg and Belgium halt because a familiar Royal Mail or a Messageries Maritimes steamer is masquerading under the Stars and Stripes? A quick broadside, a sunken ship, a wild cry for revenge, would be the answer. Our export and import trade is important; but it is still more important that the United States should be honest, with the world in arms.

Mr. GALLINGER. Mr. President, I do not know whether under international law if this bill passes we will become involved in the difficulties depicted in the editorial, but I do know that we are taking a mighty risk by putting foreign ships under the American flag under the conditions prescribed in this bill. I do not believe the effort will be a success, and, indeed, I shall be surprised if any considerable number of foreign vessels are put in the service of the United States under this bill.

In every step of our discussion of the merchant-marine question we have been met by the suggestion that if we would permit our people to buy ships from foreign nations the entire problem would be solved. Congress did not believe that. Those of us who composed the Merchant Marine Commission asked the shipowners of this country, asked the great bankers of New York, Philadelphia, Chicago, and Baltimore, if we enacted a free-ship law whether they would invest their money in foreign ships. They all answered they would not do so because of the added cost of navigating an American ship; but, Mr. President, to meet that contention, those of us who did not believe in that principle yielded when the amendment of the Panama Canal act was offered, and for two years our people have had an opportunity to go into the foreign markets of the world and buy foreign ships, provided they were not more than 5 years old—and I can not imagine why anyone should want to buy a



ship that was more than 5 years old—and put them in our foreign trade; but not one single foreign ship has been put under the American flag as the result of that legislation.

I say I do not believe that this legislation will be likely to accomplish any more than that legislation accomplished; but if it is desirable to try it, I certainly shall not stand in the way of the experiment being tried.

I would not have said a word to-day, Mr. President, had it not been for the fact that I thought it was an opportune time to say to the Senate of the United States that we ought to get together, Democrats and Republicans, those of us who believe in protection and those of us who do not, and make an honest and sincere effort to agree upon some measures looking to the rehabilitation of the American merchant marine.

To do that, Mr. President, will cost money; it will take money out of the Treasury of the United States; there is no question about that; but I have seen waste of money enough in this body, in this Congress, to justify me at least in voting for any appropriation, however large it might be, that will bring about the desired result.

Mr. President, I have said all that I care to say. I presume this bill is going to pass. I trust it will be amended in many particulars; and I am going to close by presenting a proposed amendment, which I will ask to have printed and lie upon the table, and which I may offer at a later time. It is based upon the suggestion, made by the Atlantic Carriers' Association, that we ought to require, before foreign vessels are placed under our flag, that a bond of \$10 per registered ton be given by applicants that the vessel will remain under the American flag for at least five years, so that only bona fide vessels will be admitted; and, further, that the master and officers should swear out a declaration of intention to become American citizens.

I think, Mr. President, that that is a desirable amendment, and I submit it, calling the attention of the distinguished chairman of the committee to the matter in the hope that he may see some merit in the proposition. I will ask that the amendment be read.

**THE VICE PRESIDENT.** The Secretary will read the amendment.

**THE SECRETARY.** It is proposed to add to the bill a new section, as follows:

That when a foreign vessel shall be admitted to registry under the provisions of this act, a bond of \$10 per registered ton shall be required as a guaranty that the vessel shall remain under the American flag for a period of at least five years: And provided further, That the masters and officers of such ships, if not already American citizens, shall swear out a declaration of intention to become American citizens.

**MR. SAULSBURY.** Mr. President, I recognize the very great sincerity with which the Senator from New Hampshire [Mr. GALLINGER] has spoken with regard to our lack of ocean-going vessels, and I am very much interested in the subject with which he has so great a part in the debates of the Senate. At some other time which I think may be more favorable, and when possibly it might be more appropriate to make some political comments on our present condition as to over-seas navigation, I shall try to answer many of the statements and remarks and theories of the learned Senator; but it seems to me that the Senators who have addressed the Senate with so much solicitude regarding the dangers which will encompass us if we register some of these foreign vessels are unduly exercised. We are not undertaking to do an unfriendly act to any foreign power by obtaining shipping. I hardly see how we could do an unfriendly act to any of the powers of Europe now at war. We are trying to provide for an emergency with which we are faced because of the action of these foreign nations in preventing our commerce from going overseas. Now, certainly if we purchase from the nationals of a belligerent vessels belonging to those nationals, the belligerent can not find fault with us, because its own citizens have sold to ours. It can not be, either, on the other hand, that the other belligerents can find fault with us for doing in a peaceful way what those belligerents are trying to do with their enemy—to wit, take over or obtain its foreign commerce.

Therefore I am not persuaded by the arguments I have heard that we are in any danger if we in good faith take over the vessels of even a belligerent during a foreign war. What I am anxious about, Mr. President, is that there shall be no pretense about this and that our own citizens shall in good faith buy and own and run these vessels which we may so acquire. It seems to me that that is the most important thing we can look after.

I can imagine that complications might arise if we should allow the vessels of a belligerent nation to assume our flag when our own citizens have only a trifling percentage of ownership, or practically no ownership. As was suggested by the Senator from Utah [Mr. SMOOT], suppose that in the case of the *Kron-*

*prinzessin Cecilie*, in Bar Harbor to-day unless she has moved, some Germans, acting through Americans, should obtain a Maine charter, which is a very easy thing to obtain overnight; suppose that vessel should be sold and delivered to the Maine corporation, with some gentleman in Maine acting as clerk of the corporation, as I believe they call him, owning one share of the stock, and his presence on the board furnishing the necessary resident agent in Maine, and he with half a dozen Germans resident in this country being the directors of that corporation; and suppose that ship should go out upon the seas flying the American flag—of course no foreign nation would respect that flag. We could not expect them to do it; and yet, if she did, with the facts as I have stated them concealed, a cry would go up in this country almost immediately to protect the flag.

We do not want such conditions as those to arise. I myself have offered some amendments to this bill. I believe one of them has been accepted by the committee which had them under consideration—that allowing our naval officers and men to take service on the foreign ships; but there are two other amendments which I think it would be much safer to have put on this bill.

The first provides, in effect—I am giving the substance of the amendment—that the Secretary of the Treasury shall be first satisfied as to the bona fide ownership of 90 per cent of the capital invested in the vessel by our own citizens, and not until he is so satisfied and consents thereto shall American registry be granted to a vessel. It seems to me that we ought to throw around the transfer of these vessels in this time of war much greater care and observe with great exactitude all the conditions that foreign belligerents can expect of us. That provision would give to a high officer of this Government the right to require the production of absolute proof as to ownership before the vessel became entitled to American registry.

The objection is made that that might involve us, by the fact that a high member of the Government had approved of it; but, while there may be something in the suggestion, I think, upon consideration, that if we place in this act a provision which requires that great and unusual care shall be taken regarding the transfer of these vessels, the foreign belligerents will give all the greater respect to our ships when they sail to sea under such circumstances.

In the discussion which occurred between the chairman of the committee having the bill in charge and the Senator from Iowa something was said to the effect that some special directions would be issued to the collectors in regard to registering these foreign-built vessels purchased by our citizens. What greater care, as the law exists, can be exercised than is now exercised? The mere production to the collector of a part of a bill of sale, properly executed, showing the transfer of a ship or a share in a ship entitles that transferee to have his bill of sale registered and obtain certified copies of it, and out he goes. The collector's act is purely ministerial. Apply that to the case of the *Kronprinzessin Cecilie*, with a transfer regularly made upon its face, but with concealed ownership. There is where our trouble might arise.

I do not believe for a minute that this Government would or should take notice of evasions of our neutrality laws and defend the flag under those circumstances; but how many millions of people in this country would declare that they did not believe that this ownership was a fact, and would declare that the Government at Washington was not defending our citizens and our flag? American citizens might be found who would go upon the boat nominally in command of her, possibly saying that they were in command of her, and so we might be drawn into complications. I do not believe we would ever be drawn into war through such a circumstance as that, but we might be drawn into complications if we do not take care to see that the transfer of such ships is bona fide in the first instance.

The second proposal I make is that there shall be no further transfer of such ships unless it is consented to and approved by the Secretary of the Treasury, and unless the ships so purchased and so transferred shall always be subject to be taken by the Government of the United States for its use, in accordance with a precedent made in the case when the two vessels, I think the *City of New York* and the *City of Paris*, now the *Philadelphia*, were purchased in 1890 or 1892, and other ships were built for what is now the American Line.

Those two amendments, Mr. President, I submit, ought to be in some way incorporated in this bill. It seems to me it would be safe to have them there; and I shall, when it is the regular order, ask for a vote upon those amendments.

**MR. SMOOT.** Mr. President, I have no intention whatever of detaining the Senate for more than a very few moments, although the subject now before the Senate is one that I have been deeply interested in for years.



I believe in an American merchant marine. I have voted, every chance I have had, for an American merchant marine. I had hoped the time would come when a majority of the Members of Congress could see the necessity of it. The unfortunate conditions existing in the world to-day have brought it forcibly to our attention; and I recognize that this is an emergency measure and believe it will be repealed before many years. I hope that out of this will grow legislation that will put our merchant marine back upon the seas of the world, and that our flag will be found in the ports of every country of the earth.

I am in accord with the amendment offered by the Senator from Delaware [Mr. SAULSBURY]. I believe the Senate ought to accept the amendment he has just referred to, even if it does so in a modified form. The only danger that I see in this legislation is that without an amendment of that character we are liable to get into trouble with foreign nations. We are liable to be embroiled with some belligerent power through its seizure of some foreign-owned boat carrying the American flag and manned by foreigners, as authorized by this bill. I do not believe the amendment will prevent a corporation with an honest desire to place its ships under the American flag and receive an American registry from doing so and accomplishing just what we want to by the enactment of this legislation.

If the Senate thinks that 90 per cent of the capital invested in any such foreign steamship shall be owned by American citizens is too much, let us reduce it to 51 per cent, so that at least the control of the corporation will be in the hands of American citizens. As I stated before, in a question asked of the Senator from Ohio, under the provisions of this bill there is no question but that the owners of the German boat now at Bar Harbor, Me., owned by German capital, run into that port by a foreign belligerent power, could within three days transfer the boat to an American corporation, and, under the laws of Maine, have the necessary American citizens as directors, with only sufficient stock to comply with the laws of that State as to the qualifications of directors, and all the balance of the stock could be owned by the present owners of the boat; and she could sail out of the port of Bar Harbor flying the American flag, and, meeting the ships that ran her into the port, could not be seized if the American flag and the American registry of the ship is recognized and respected.

There is no need of putting the American Nation in that position. If it would help the situation we might run the risk, but there is no necessity of it, because of the fact that it will bring no more ships. In my opinion, under the American flag, unless it is cases just such as I have cited. If it is undertaken, in my opinion, we will have trouble; and I hope and trust the Senate of the United States will adopt the amendment suggested by the Senator from Delaware. As I say, however, if the Senate in its judgment thinks that 90 per cent is too much, I shall offer an amendment requiring 51 per cent, or a majority of the stock, to be owned by American citizens.

Mr. CUMMINS. Mr. President, I will state publicly what I have just suggested to the Senator from Utah. As I understand, the present law requires that the vessel shall be wholly owned by American citizens or by an American corporation.

Mr. SMOOT. In order to receive the registry.

Mr. CUMMINS. In order to receive American registry. If I am wrong about that, I should like to be corrected.

Mr. SMOOT. Mr. President, the Senator is wrong about it.

Mr. GALLINGER. It can be a corporation, which is a very different thing from an individual.

Mr. SMOOT. It applies to a corporation. For instance, I might call the Senator's attention to the company owning the *St. Louis* and the *St. Paul*, with an American registry, flying the American flag, and the majority of the stock of the company is owned in a foreign country. That happens in a number of cases with which I am familiar.

Mr. CUMMINS. I did not know that that was the law.

Mr. SHIVELY. The company which was organized under the laws of the State of New Jersey by virtue of that organization becomes an American citizen for all the purposes of owning and operating ships under the American flag. I have in mind now the old Navigation Co. Some years ago that company took out a new certificate, and entitled the organization the International Mercantile Marine Co. The International Mercantile Marine Co. was a couple of years ago—and I presume is now—operating 126 vessels, not over 6 or 8 of that entire number flying the American flag; and yet that company, ever since it took out its new certificate, has been in contract relations with the United States Government under the act of March 3, 1891.

In the year 1910 I had occasion to look up this matter. I presume substantially the same conditions exist to-day. The president of that company, organized under the laws of the

State of New Jersey, was J. Bruce Ismay, whose name was mentioned in connection with the *Titanic* disaster. Among the directors were Mr. Ismay, H. A. Sanderson, a British subject, and the Right Hon. Lord Pirrie, a British subject. These were among the directors. You see, the president himself was a British subject, and these were among the directors. On the United States side were such men as John F. Archbold, George W. Perkins, and John P. Morgan, jr.

Now, these payments, over \$10,000,000 of which were made by the United States Government under the so-called mail contracts, have gone into the treasury of that company and have been distributed among the underlying companies. So you will see that under the present system, while you have on the face of it an American citizenship, you have underneath substantially foreign ownership.

Mr. CUMMINS. I can understand the statement of the Senator from Indiana, because that simply betrays the evasions which a holding company can always effect; but I did not know that a corporation organized under the laws of one of the States, and therefore a citizen of that State, could own and register a vessel for the foreign trade if all of its stock was owned by the subjects of foreign nations. If that is true, then we have no law that confines American registry to American citizens. Is the Senator from Utah quite sure with regard to that?

Mr. SMOOT. I am quite sure; but I want to say to the Senator from Iowa, in addition, that the organization of such a corporation as he has described could not take place in my State, nor do I believe it could take place in Indiana. I have not looked up the different incorporation laws of the different States, but I am positive that it could not take place in my State, because no corporation can be organized under the laws of Utah unless a majority of the persons organizing it are citizens of the State. I believe the laws are the same as to Indiana. But evidently the laws of New Jersey are not of the same character.

Mr. SHIVELY. The Senator is right about that. Such an organization could not have been made in the State of Indiana. At that time there were what they called very liberal laws in the State of New Jersey. That was a good place to go to organize corporations.

Mr. MARTINE of New Jersey. Mr. President, we have done a million iniquitous things in New Jersey through our corporation laws, legislative laws, shipping laws, railroad laws, and the like. We have made some steps of improvement, and I trust, if God shall spare us as a Commonwealth, that we will ultimately clear our escutcheon as to the matter now before the Senate.

Mr. SHIVELY. You are making progress in New Jersey.

Mr. CUMMINS. I want to say to the Senator from New Jersey that, in my opinion, the laws of New Jersey in that respect are not different from the laws of the greater number of the States.

Mr. MARTINE of New Jersey. Then, God help humanity!

Mr. SMOOT. Mr. President, I do not want at this time, as I say, to go into the discussion of the merchant-marine question; but I do believe, as I stated before, that now is the time and now is the chance for Congress to say that no foreign vessel the owners of which may come to this country to form an organization for the purpose of having the boat receive an American registry and fly the American flag should be permitted to do so unless at least a majority of the stock of the company is owned by American citizens. I shall cheerfully vote for the amendment offered by the Senator from Delaware [Mr. SAULSBURY]; and, as stated before, if that amendment is defeated with the 90 per cent requirement, I shall offer one similar in character requiring only 51 per cent.

Mr. CUMMINS. Mr. President, I should like to ask the Senator from Utah a question, because I want to be clear about it, and I am not informed as to it. The law of the United States with regard to the subject, I take it, is found in section 4132 of the Revised Statutes, which, as amended in 1912, reads in this way:

Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, not more than five years old at the time they apply for registry, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, or corporations organized and chartered under the laws of the United States or of any State thereof, and no others, may be registered as directed in this title.



I am inclined to think the Senator from Utah is right that if a corporation organized in a State owns a ship it is entitled to American registry, even though the corporation is entirely owned by foreigners.

Mr. SMOOT. With the exception of enough stock in order that the directors shall be qualified under the laws of the State. The laws of the State would regulate that.

Mr. CUMMINS. But there might not be any requirement even of that kind.

Mr. SMOOT. Then, even the directors could be foreigners.

Mr. O'GORMAN. May I ask the Senator if that condition, such as is disclosed in the Panama Canal act of 1912, is not infinitely better than having all our foreign transportation absolutely controlled by foreign concerns which have no connection with this Government or any of its States, which are created and organized in foreign countries, and which are acting pursuant to the laws of those countries?

Mr. SMOOT. Of course, there is no need of the Senator asking me that question, because I have been fighting as long as I have been in the Senate of the United States for building up the merchant marine; and if I had my way, instead of the United States transporting 2 per cent of her commerce in American bottoms, she would transport 98 per cent, and the foreigner would have the 2 per cent.

Mr. SHIVELY. How would the Senator do it?

Mr. SMOOT. I would do it by granting subsidies, if necessary.

Mr. SHIVELY. That is the idea.

Mr. CUMMINS. But, Mr. President, the Senator from Utah would build up a merchant marine under the flag of the United States which would be altogether owned in Europe.

Mr. SMOOT. Oh, no.

Mr. CUMMINS. That would be the situation under the present law, or that might be the situation under the present law.

Mr. SMOOT. If the Senator has followed me, I am asking now for the support of an amendment to this bill requiring that 90 per cent of the stock of the corporation shall be held by American citizens before the ship is entitled to American registry and to fly the American flag.

Mr. O'GORMAN. Does the Senator think if that amendment were adopted and that condition imposed a single ship now owned by an American and flying a foreign flag would be transferred to the American flag?

Mr. SMOOT. Then, if that is the case, as implied by the Senator's question, the intention is to allow the foreign ships to come here and take out American registry and fly the American flag with no restriction whatever, and as soon as the difficulties now confronting the shipping interests of the world are removed, then they go right back to the foreign countries and fly the foreign flag.

Mr. GALLINGER. Mr. President—

Mr. SMOOT. That would be the result, and what I want to do is this: If we are going to build up or assist our merchant marine now and have the American flag upon the sea, that we shall do it in a way that it will continue and that it will be an American industry owned by American people. I believe, Mr. President, that that will be the result if we put in this amendment providing for at least 51 per cent of stock, so that it shall be controlled by American capital.

Mr. GALLINGER. Will the Senator yield to me a moment?

Mr. SMOOT. I yield.

Mr. GALLINGER. The Senator has the reputation of being a very accurate mathematician, and when anything goes to the country from the Senator the country is very apt to believe it. Probably the Senator simply used it as an illustration, but he said that instead of having 2 per cent of our exports and imports carried in American ships he would have 98 per cent. I want to say that while in the early days we did carry 92 per cent, we are carrying now 9 or 10 per cent in American bottoms.

Mr. SMOOT. That is true and I am very glad the Senator called my attention to the fact because I know in the last report I saw it was stated to be nearly 9 per cent.

Mr. GALLINGER. About 9 per cent.

Mr. SMOOT. I only offered it, however, as an illustration.

Mr. President, that is about all I care to say at this time until the Senator offers the amendment.

Mr. MARTINE of New Jersey. Mr. President, I do not feel that I can add any enlightenment to this discussion, but I want to say that I have listened to these propositions and to their terms as far as they go, but they do not go far enough. All this anticipates private ownership. I am opposed to any process such as is proposed by the Senator from Utah of subsidy, and my friend the Senator from New Hampshire [Mr. GALLINGER] a moment or two ago declared that it was a matter of partisanship. I say that is utterly unfair and untrue.

Mr. GALLINGER. Ah, but, Mr. President, my friend from New Jersey, who, I know, thinks as well of me as I think of him—

Mr. MARTINE of New Jersey. Oh, I think a world of you. [Laughter.]

Mr. GALLINGER. What I said was that we ought to waive all partisanship, and if we can not agree—

Mr. MARTINE of New Jersey. But, Mr. President—

Mr. GALLINGER. The Senator will allow me to put myself right. I said, if we can not agree upon subsidies as a remedy let us try to agree upon some other method. That is exactly what I said.

Mr. MARTINE of New Jersey. God knows I will never take a step toward trying to agree on a subsidy, for there is no reason in the kingdom of God why you should pay my bill or aid me in my enterprise any more than I should aid you. I am opposed to a subsidy on principle, and I can not understand how any American citizen who stands for equal rights to all and special privilege to none can stand up and advocate a subsidy.

Mr. GALLINGER. That may be true; but if the Senator occupies that position he ought to have the CONGRESSIONAL RECORD corrected so as to vote "no" in place of "aye" on a thousand subsidies during this session.

Mr. MARTINE of New Jersey. I realize that you can carry along such a line of reasoning, and that you might say everything we voted was a process of subsidy. That may be true, but the process of subsidy per se, as I understand it from the Senator, means granting a money stipend to men who will go together and build ships for the purpose of carrying on a commercial business. I am opposed to that. I do not believe I am a partisan in it; I am sheerly and strictly American in it. I want some process that shall establish a Government ownership. Many of my friends tell me it is heresy. I have been preaching it for 40 years. They did not listen to me; many thought I was a lunatic and my head full of wheels, but I find it preached to-day and believed in by hundreds and thousands of men in this country, and I am more and more in favor of it every day I live.

Mr. WEST. I ask the Senator from New Jersey if he believes in the ownership by the Government of all public-utility corporations.

Mr. MARTINE of New Jersey. I do. I believe in the Government ownership of railroads; I believe in the Government ownership of telephone lines; I believe in the Government ownership of telegraph lines. It will be a blessing to this land when that shall be brought about. Do not delude yourself with the idea from Georgia that it is a heresy. You will wake up some morning and find it to be a very thoroughly established truth. If there is a profit in ocean carrying why in the name of heaven should not the people have it?

This is an extraordinary exigency of the time. Here we wake up and find a war the world over, the most alarming and bitter perhaps the world ever engaged in. God has blessed us with crops bounteous beyond a parallel, granaries fairly bursting, great storehouses congested, and we can not carry off our products. We have wheat enough to supply our own hungry mouths and the hungry mouths of millions on the other side of the water. We have shoes manufactured, we have cotton products, and we have almost everything that humanity needs. Yet we find because of the strife of the nations there is no way to transport across the water these great commodities and blessings that God has given us in this fair land of ours, and immediately come a dozen other fellows, who have been shy and shaky and cowardly and hesitating in enterprise, who are now willing to come in and say, "We will ship grain and ship everything else we have if you will grant us special privileges." I want a process whereby the Government shall buy, if you choose, the *Kronprinzessin Cecile* in Bar Harbor and buy some more of them. In the meantime let us not stop our own shipbuilding, but proceed with shipbuilding under favoring laws and proper conditions, but not by a subsidy process.

I know very well and the Senate knows that the nations that have their craft tied up at the docks or anchored in shoal waters are very anxious to part with them at a reasonable price. Let us own them, not 51 per cent or 85 per cent or any per cent but 100 per cent of the craft. Let us own them and with intelligent mariners and engineers we will sail the craft.

My distinguished friend the Senator from New York [Mr. O'GORMAN], with whom I have a thousand sympathies in common, tells us that the lighthouses have been extinguished. That is all true, and some of the buoys, it may be, have been removed. That is all true, but we all know that all the waters are charted and mapped, and we know it is not



necessary for an engineer or a good mariner to see a bobbing buoy to know just where the shoal water is located. He looks over the whole thing and knows there is a buoy here, and it says 10 feet or 20 feet or 100 feet. So with this intelligent aid, with our intelligence, with our thrift, and our energy we are in possession of these facts better than are millions of those who live right on the borders of France, if you please, or on the English Channel. So to me that is flimsy, and I can not accept it as a sound argument.

I say let the Government appropriate sufficient money. I sketched a resolution yesterday, or the day before. I thought I would offer it. On showing it to one of my fellow citizens he was rather paralyzed, and said, "Great heavens! Jim; I think that is revolutionary." I should like to put in the possession of the Secretary of War and the Secretary of Commerce the power to buy such craft as may be available to-day, or may be made available, and run it with American seamen. Then a new era would come. In the meantime, let our shipmasters and shipyards ply their trade, and we would establish a footing in the matter of a commercial marine that would appall many of the hesitating and doubtful men on the other side of the water. A new dawn and a brighter day would come for America under such a system of ownership. God speed it!

I will vote for the amendment of the Senator from Delaware. I think it would be very good. I will do all I can now, in this exigency to lift the embargo that to-day remains upon our cotton, our corn, our wheat, and a million other products, and in our manufactures. Shoes by the million are demanded to-day. Our factories in Massachusetts and New Jersey will supply the needs. But we must have a method of transportation. Give us some such system. Let us start out in that direction and a happier day and a more glorious era in our country will have come.

Mr. WEEKS. Mr. President, we have just listened to a very interesting speech. I am interested in the suggestion which the Senator from New Jersey [Mr. MARTINE] has just made, to the effect that the Government should buy ships and operate them in a contingency of this sort.

We had an experience of that kind in 1898, owing to the policy or lack of policy which we had followed in not building up the auxiliary fleet for our men-of-war. We found it necessary at the beginning of the Spanish War to buy such merchantmen as were available for auxiliary purposes. The Government bought at that time 113 ships of different kinds, some to be transferred into cruisers and others to be used for auxiliary purposes. We paid for those 113 ships about \$17,000,000. At the end of the war a board decided that 14 of them should be sold. Some of them were transferred to the Army service and some retained in the Navy. Four subsequently foundered and were lost at sea. On the 14 sold—and they were sold at the best prices obtainable, I assume—there was a loss of 74 per cent; that is, they sold for about 25 per cent of what they cost.

I happen to know that the purchases were made by a very competent board of naval officers, who went all over the country and did the best they could to get ships that would be useful at reasonable prices. Yet when they were no longer needed by the Government and had to be sold that was the net result.

Now, I wonder if the Senator from New Jersey would like to have the Government at this time launch into such an operation as that, if they can be obtained, operating them, and perhaps at a later day selling them for 25 per cent of what they cost.

Mr. MARTINE of New Jersey. I will answer that that is not my purpose, nor if I had had the power would that have been the result. You bought these vessels in the Spanish War for a temporary purpose, with no policy. Mine reaches beyond the temporary. I want to establish a permanent system under Government ownership. Had I had the power, the money the Senator from Massachusetts refers to would not have been frittered away in that manner. If owned by the Government, they would have been manned by the Government. You bought a lot of old junk and hulks that had not been upon the markets of the world, as we have them to-day. We have markets now in which to purchase in Norway and in Sweden; we have the markets of England and the markets of Russia.

Mr. GALLINGER. We had those at that time.

Mr. MARTINE of New Jersey. I know we had, but we have a far better market to-day, for they are all at each other's throats and they do not know what under the heavens to do; but with that advantage before them they would rather take American gold for the best craft that ever sailed under the English or French or German flags.

Mr. WEEKS. The Senator from New Jersey should not say "you." He should say "we." We were all American citizens, doing the best we could.

Mr. MARTINE of New Jersey. The Senator understands me. I only said "you" because you were taking the side of that investment. But the Lord knows it was far from being a good one.

I know I am a Democrat. I know that many on the other side are Republicans, and some of them are so weak that they are nearly as good a Democrat as I am, and I am proud of them. I regret if there is any partisanship in this matter. God knows that is furthest from my thought.

In answer to the Senator who asked me something as to how it would affect my State, in the votes that I have cast here for now two years and a half I have never had a thought as to how my vote was going to affect my State. I have felt that I am here as a Senator of one of the proudest States in this great galaxy of the Union. I am a Senator of the United States. I am going to do what my own conscience and my honest judgment declare to be best for my fellow man and best for the glory and welfare of my people.

Mr. JONES. Mr. President, while I doubt very much that any good will come from the passage of this bill, and I fear that much ill may come from it, and serious complications with other countries, I shall not oppose its passage. I hope that it may be amended in some particulars.

Listening to this debate I felt that I could not refrain from calling the attention of the Senate to a suggestion that I made here a year ago. I am going to take but a few moments of the Senate's time, but I want to submit a few observations on the general situation.

About midnight on the 8th of September, 1913, when we had the tariff bill under consideration, I submitted some remarks on an amendment I had offered to that bill in the line of ancient Democratic doctrine for the encouragement and building up of the merchant marine of the country. After I had called attention to the conditions of our merchant marine, showing the lack of it and the business that we had dependent upon it, I made an observation as to what I thought might happen in the near future. I want to read that statement now.

Not only is this condition of things humiliating—

That is, the condition that we had a tremendous foreign trade of which only about 8 per cent was carried in our own ships—

Not only is this condition of things humiliating and unprofitable, but it is actually dangerous. British ships transport the great part of our foreign commerce. Suppose England should engage in a war with a great power. Thousands of her ships would be taken for transports and other thousands might be destroyed. Our foreign commerce would be destroyed, and the products we now send abroad would be left on our hands, glutting our markets and bringing upon us industrial ruin and widespread commercial disaster. Farmers and manufacturers would suffer alike, and the laborer and his family would face the wolf of hunger in his home.

I had no idea at that time that this condition of things would come about as it has. I had no idea at that time that within a year the Congress would be confronted with that very condition of things. Yet that is the situation now. Not since the world came into being has there been such a spectacle as we present to the people of the world to-day. We have the greatest concentration of power and wealth and intelligence on the face of the earth, and yet we are practically helpless. We have a foreign trade amounting to more than \$4,000,000,000 annually and are threatened with no means of reaching market. We are in a panic not because we are at war, not because we are threatened with war, but because practically all the civilized nations on the face of the earth are at war with each other, and the ships that have heretofore been carrying our commerce are not now available.

There is nothing to transport the products of our farms and our factories to the people that need and desire these products, and we are now by this bill inviting to the American flag in order to meet this situation the old, worn-out, unsafe, unstable, unworthy, inefficient vessels of every nation of the earth to come under our flag without inspection, without survey, without examination, and with foreign officers as well as men, to transport our products under our flag in vessels that are unsafe and unseaworthy. Of course, we may get some good ships, but under this legislation we are inviting every foreign-built vessel of every kind and character to come in under our flag, and the poorest and less seaworthy will be the ones most likely to be purchased.

Mr. SHIVELY. I know; but does it not occur to the Senator that if there is to be a vessel purchased there must be somebody to purchase it, and does the Senator feel that when it comes to this subject our business men are going to dismiss their common sense and buy the old rotten hulks he speaks of?



Mr. JONES. Why, Mr. President, a man will take almost any risk to make a little profit; and the conditions are likely to become such, with the terrific struggle that is going on, and with the conditions that are likely to result from it, that men will run almost any risk in order to get the exorbitant prices that it may be possible for them to get for the transportation of products. That may not come about, but I say that that condition of things is possible; and I believe it is almost probable.

Mr. SHIVELY. Mr. President, under our present registration laws a vessel built in the United States has got to be subjected to inspection; it has got to be subjected to a survey before it can get registration. Certainly these are ghosts and spooks and hobgoblins that the Senator from Washington is now conjuring up with which to alarm us.

Mr. JONES. We authorize the President to waive surveys.

Mr. SHIVELY. Only under the extreme case and circumstances described in the bill.

Mr. JONES. We authorize the President expressly in this bill to waive surveys and inspections before the admission of these ships to our flag. That is one of the conditions; that is one of the things necessary to induce these ships to come under our flag and to take our register. I am not denouncing it; I am simply bringing this out as a condition which confronts us; I do not say that it is unwise to do it now; but I simply want to emphasize the condition which is before the American people, that in order to get our products carried across the sea we deem it advisable and necessary to present legislation of this character in this emergency.

Mr. SHIVELY. Of course that is why we are here. What would the Senator have us do?

Mr. JONES. I would have us get to work and try to frame some legislation in a statesmanlike way that will build up a merchant marine in this country. I would say let us lay aside the legislation that we are now working on awhile and spend a few days—a week might be all that is necessary—as non-partisans get to work and frame some legislation that will be permanent and build up the merchant marine. This will not amount to anything.

Mr. SHIVELY. Then, let us have a vote on the proposition.

Mr. JONES. Why, Mr. President, a vote will not amount to anything on the passage of this bill, which is only temporary and which is admitted is temporary.

Mr. SHIVELY. Mr. President—

Mr. JONES. I do not yield just now, Mr. President.

Mr. SHIVELY. Up to this minute the Senator from Washington has not made a suggestion as to what he would do.

Mr. JONES. I will make a suggestion, if the Senator will merely give me an opportunity. I do not suppose he will follow it, but I have just made a suggestion, and that is that this Congress, with its patriotism and its intelligence and its statesmanship, get together earnestly and try to frame some legislation not only to meet the present emergency but to meet the condition that will exist when this emergency passes. Let this Congress get together and try to frame some legislation that will take care of the situation and prevent its recurrence hereafter.

Mr. SHIVELY. Mr. President, the Senator has made it clear that we should get together and consume more time.

Mr. JONES. Oh, Mr. President, there has not been any suggestion here to-day, though we have been talking since 11 o'clock, that we ought to stop. I should have been through by this time if I had not been interrupted by some of my friends on the other side, and I can really see no special justification for the interruption, because I have not been condemning them for not doing anything; I have been calling to the attention of the country at least, I hope, a condition of things that warrants and justifies, possibly, this temporary legislation. It seems to me that out of this condition we ought to realize our duty as representatives of the people and endeavor to try to frame legislation of a permanent character that will take care of and prevent such situations in the future.

Mr. CLARK of Wyoming. Mr. President—

Mr. JONES. I yield to the Senator from Wyoming.

Mr. CLARK of Wyoming. In view of the suggestion of the Senator from Indiana [Mr. SHIVELY] that this legislation is so imperatively necessary that it should be passed at once, without further debate, I desire to call attention to a statement by the Secretary of Commerce of to-day after a conference with Secretary of State Bryan.

"The last thing we need worry about," said Mr. Redfield with emphasis, "is getting our crops abroad. Europe must have our wheat or starve. Will she starve or will she provide means of transportation? It's up to the other fellow to provide ships. Grain may be tied up for a few weeks, but not permanently."

Mr. SHIVELY. Mr. President, just at that point, since the Senator from Wyoming has seen fit to read that extract, I wish

to say that he is utterly mistaken if he assumes that I indicated to him that I regard this as such an awful crisis; but after the lurid pictures which have been painted by the Senator from Washington [Mr. JONES], the alarming situation that is presented to the Senate, it occurred to me that in view of such a menacing prospect and from his standpoint the quicker we get this legislation passed the better.

Mr. JONES. If we should vote on legislation that will meet the situation, of course, I admit that; but I doubt if this legislation will meet the situation. It will not bring relief. It will not furnish ships. Under it no new ships will be built, and the uncertainties are so great I fear no one will buy good foreign ships for our trade. This legislation was presented by the Senator from New York [Mr. O'GORMAN] with the plea that it is absolutely imperative; that it is demanded by the cotton growers and the wheat growers of the country in order that their products may be marketed; and it has been urged most earnestly that we should have some relief of this character. I hardly concur with the statement of the Secretary of Commerce, which has just been read. I do think that we are in a critical situation; I do think our people are going to have trouble to get their products across the sea; I do not think there is any question about that. This is inevitable unless some of the warring nations drive the opposing nations from the sea. As I have said, I am not going to vote against this bill; but I should like to see us at this time do something of a permanent character to take care of the situation, not only for the present but for the future. We should not be content with a mere makeshift.

This is the time to do it, when the people realize what it means to be without the means of transportation, to be without ships. I know that heretofore in the discussion of legislation which was intended or hoped to upbuild the merchant marine there have been certain sections of the country where they said they were not interested in the matter of building up a merchant marine. I know that in some of the interior sections of the country they have opposed it because, they said, it was for the benefit of the Shipping Trust, or for the benefit of the cities along the seashore, or for the benefit of the water lines of transportation, and of no interest to them. The present exigency shows that the man who is farthest away from water is most interested in the ships of the country; that the farmer who has the greatest difficulty in getting his product to market is more interested than is anybody else in having the means for the transportation of those products across the sea and to the markets of the world. So it seems to me that this is the time to take up this question. This is the time, when the farmer in the interior, when the business man away from the water has it brought home to him that it is important that we should have shipping lines, and that whatever methods we take to upbuild the merchant marine of the country are methods taken for the benefit of the farmer, for the benefit of the business man in the interior, for the benefit of the interior sections of this country, and not for the special benefit of the harbors along the coast or the shipping lines. In whose behalf is this legislation urged? Not for the shipping concerns, not for the harbor cities of the country, not for the seaboard. It is urged for the interior sections, for the farmers of the Mississippi Valley and those great producing sections that supply the world with their productions. This question has been brought home to them as never before, and they are in a frame of mind to appreciate any honest effort to solve this great problem.

Mr. President, I have proposed an amendment to this bill that suggests a remedy which I believe we ought to adopt. I do not know whether or not my friend from Indiana has read the amendment. In brief, it is good, old Democratic doctrine, doctrine that my Democratic friends can not go back on or can not deny. I believe that it is the only method by which we ever shall build up the merchant marine. I have voted for other propositions, because I have been willing to vote for almost anything that has held any hope of building up the merchant marine of this country; because I thought that I realized the importance of a merchant marine for a great manufacturing and producing country like this; but the proposition that I would prefer, and that I believe in more than anything else, is the proposition that was declared for definitely in the Republican platform of 1896, and, in my judgment, was in the minds of the Democratic platform makers of 1912. That was the policy inaugurated when the Government was founded and which proved, by its results, that it was a most effective agency along those lines.

Mr. WEST. Mr. President, if the bill pending here to-day does not accomplish the ends sought, who is to provide ways and means to lead the children out of the wilderness?



Mr. JONES. Well, I was hopeful that we whom the people have sent here might take steps to lead us out of this trouble; but if you do not do anything else now except to pass this bill, I am pretty confident as to the leadership under which something will be done in the very near future.

Mr. President, the amendment which I have offered, and to which I have called the Senator's attention, in brief, provides that within 30 days after the signing of articles of peace at the conclusion of the war now going on in Europe all goods imported in foreign ships shall bear a duty of 10 per cent more than under the law of 1913, and that goods admitted free shall come in at a duty of 5 per cent ad valorem if they are imported in foreign ships, with a provision for the abrogation of the treaties in the manner provided by law and directing the President to carry on negotiations to that end as soon as possible.

I am not going into a general discussion of the matter, because I do not anticipate that that amendment will be put on to this bill. It will be said that it opens up a great question, and I will admit that it does, but I do believe that this Congress ought to take up that question. I believe that a proper solution of this question will yield greater benefit to the people of this country than can be accomplished in any other way or by any other legislation, and I will be perfectly willing to stay here all summer, and all fall if necessary, to pass such legislation; I believe that if Congress were to get down to it in earnest we could pass, inside of two or three weeks, legislation of this kind that would take care of the situation and the emergency now upon us. When that emergency passes away, if we do not provide for something of that kind, the very moment that peace comes we will have to fight the same influences, the same policies, and the same principles that have heretofore not only driven our flag from the sea but kept it from the sea. I should like to see us in an entirely nonpartisan way—because I do not consider this a partisan question at all—try to solve this problem by enacting legislation along this line, for I know it would be of great benefit to the people of the country.

If this war continues any length of time, the losses to the people of this country will be enormous when their profits should be great. Those losses will far and away exceed anything it would have cost to insure a merchant marine, even if the wildest subsidy measures had been carried out. You may call it subsidy, if you will, but any measure that will furnish ample shipping for war and peace is a measure of general benefit and wise, beneficent, and patriotic purpose.

This is a time to show our statesmanship. Instead of harassing domestic trade with crude and unwise laws let us legislate for the encouragement, promotion, and development of our foreign commerce and deserve and command the gratitude of a grateful people.

Mr. President, there is one other amendment which I have offered to this bill upon which I suppose the committee did not act favorably, but which I trust the Senate may favor when I have presented the facts upon which it is based.

Mr. O'GORMAN. I may say, Mr. President, that the amendment just referred to by the Senator from Washington was considered by the committee, and some of the members of the committee saw merit in it, but thought it was so foreign to the immediate purposes of the legislation contemplated by this bill that it would be a cause of complication and possible delay if it were taken up and approved by the committee.

Mr. JONES. I can appreciate that situation, and really had no hope that the committee would feel justified in acting favorably upon it, but I wanted to call it to the attention of the Senate and the people. I will inquire as to the amendment offered by me with reference to the coastwise trade.

Mr. O'GORMAN. The committee did not give that its approval.

Mr. JONES. I did not know that the committee was going to meet, or I might have gone before them to show in brief the reasons why I offered that amendment; but I want to call the Senate's attention to some facts which I think show that the purpose to be served by that amendment is exactly the purpose to be served by the other provisions of this bill, and when he knows these facts I believe the Senator will approve this amendment.

This bill is intended to take care especially, I think, of the Atlantic coast; that is, of the trade that goes out from the Atlantic ports. My project is of especial interest to the people of the Pacific coast. Of course, I know that the bill of which the Senator from New York is in charge is general and would apply, so far as the exigencies might arise that would be covered by it, to the Pacific coast; but I have some telegrams here asserting that they have not on the Pacific coast vessels sufficient to carry the lumber from the Pacific coast to the Atlantic. It takes ocean-going ships to go around through the

Panama Canal. We have plenty of ships possibly for our coastwise trade between coastal points on the Pacific coast, but we have not enough ships, according to the statements of the gentlemen who have communicated with me, to take care of the trade that will go through the Panama Canal and that ought to go through there. I want to read a telegram or two bearing on that point.

Mr. WEST. Mr. President, before the Senator begins reading the telegrams, I will inquire for information, Are not the ships belonging to the Merchants & Miners' Line; the vessels of the Ocean Steamship Co., of Savannah; and the steamers of the Clyde Line, going from Jacksonville to New York, of sufficient size and power to go through the canal?

Mr. JONES. I presume so; but I do not expect that they will leave the routes on which they are now engaged in order to ply between ports on the Pacific and ports on the Atlantic.

Mr. WEST. And they are capable even of crossing the ocean, if necessary?

Mr. JONES. Certainly; but I do not anticipate that those ships will leave the routes they are now on and go on a route between ports on the Atlantic and ports on the Pacific; those who have communicated with me do not think so, anyway.

Mr. WEST. Mr. President, there is no worse weather anywhere than around Cape Hatteras where these vessels travel every day.

Mr. JONES. I am satisfied the Senator does not get the point I am trying to make, and that is this: Those ships do not want to engage in trade between Pacific ports and Atlantic ports; they have established routes and they will keep on those routes. They are not going to come to us; and we have not sufficient ships for the trade; we are lacking in the ships—or that is the contention—to bring our products around from the Pacific to the Atlantic.

Mr. GALLINGER. Mr. President—

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. I will ask the Senator what means of transportation shippers have on Puget Sound—and that, I suppose, is the part of the country in which the Senator is most interested—

Mr. JONES. Yes.

Mr. GALLINGER. For carrying lumber at the present time? How do they get their product to the Atlantic ports, the canal not being open?

Mr. JONES. We have not been bringing much lumber by water, but we had hoped when the Panama Canal was constructed that we would ship a great deal of it through the canal. A great part of our lumber now is sent over the railroads.

Mr. GALLINGER. My query was whether it is now transported by railroads rather than by water.

Mr. JONES. It is transported very largely by rail to the Atlantic coast.

Mr. BURTON. High-grade lumber is shipped by the railroad.

Mr. JONES. Of course high-grade lumber comes that way. Rough lumber can be shipped around Cape Horn, but not much is so shipped. We send a great deal of our lumber to Australia.

Mr. GALLINGER. Of course the Senator's amendment would not affect that traffic?

Mr. JONES. No.

Mr. GALLINGER. Before the Senator reads the telegrams he was about to read I will say that I was rather startled at the proposition of the Senator from Washington to wipe out the coastwise laws of the United States to accommodate a small portion of the country.

Mr. JONES. The Senator is making that too broad; I have not proposed to do that at all; I do not think the Senator intends to put me in a wrong light.

Mr. GALLINGER. Certainly not.

Mr. JONES. My amendment simply provides that between points on the Atlantic and points on the Pacific, or between the points on the Atlantic and points on the Pacific the President may suspend the provisions of law confining such trade to American ships, if the exigencies warrant.

Mr. GALLINGER. I understand; but that is coastwise shipping at the present time.

Mr. JONES. Oh, yes; certainly.

Mr. GALLINGER. And the Senator proposes to amend the coastwise laws to that extent?

Mr. JONES. Oh, yes; that is the object.

Mr. GALLINGER. In other words, the camel gets his head in the tent, does he not?

Mr. JONES. That may be what it means; but the situation is about like this: So far as the Panama Canal is concerned, in view of the action Congress has taken, it is of practically no benefit to us, and now we want something that will be of benefit.



We find that nobody is looking after our interests, except ourselves, and we are trying to look after them. We may not make very much headway at it, but we will try. It surely is no more dangerous to permit the President to suspend the coastwise laws in this particular to afford relief to one great industry than it is to permit him to allow any kind of an old vessel to be registered under our flag, without survey or inspection and officered and manned by foreigners, to afford relief to the industries of the East and Middle West.

Mr. SHIVELY. Mr. President—

Mr. JONES. I was going to get through very soon.

Mr. SHIVELY. I did not intend to detain the Senator at all, but merely to ask him a question concerning his amendment, which appears on page 9, does it not?

Mr. JONES. I think it is the last amendment printed in the bill.

Mr. SHIVELY. While the question may be more or less academic, because of the observation just made by the chairman of the committee—

Mr. JONES. I hope the fact that the committee did not report it favorably would not impress the Senator with its lack of merit.

Mr. SHIVELY. I invite the attention of the Senator to the language he employs, and ask him whether he thinks it is sufficient? It reads:

And the President is hereby authorized, whenever in his discretion the needs of domestic trade require—

And so forth. Does the Senator think that that language is sufficiently definite as applying to a state of facts to clothe the President with the power suggested by his amendment?

Mr. JONES. I thought I followed the language of the bill, which provides in section 2:

That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require—

And so forth. I think I have followed that language.

Mr. SHIVELY. I think if the Senator will reflect upon the matter he will recall that that language has been amended by a suggestion of the Senator from Arkansas [Mr. CLARKE], in order to be certain that it may be taken out of the case of Clark against Field.

Mr. JONES. I did not have the benefit of that when I wrote this amendment. It might be that that suggestion would be better than the language I have used. I took the language that was used in the House bill and followed that. I should be glad to accept any suggestion that comes from the Senator from Arkansas that would make the language definite, or from the Senator from Indiana, either, for that matter.

I have some telegrams here from Seattle dated yesterday. One of them is as follows:

In considering the pending measure authorizing President to suspend navigation law in order to permit American register of foreign bottoms provision should be made for use of these ships in Atlantic to Pacific service, and vice versa. There are only a few ships under American register suitable for lumber carrying via Panama Canal. The handicap of free lumber and repeal of tolls act can, in a measure, be counteracted by such provision. Can you do anything in its behalf?

J. H. BLOEDEL.

Mr. Bloedel is one of our prominent business men there and very reliable.

I have another telegram from Mr. D. E. Skinner to substantially the same effect, in which he states that it is practically the unanimous opinion of the lumbermen of the Pacific coast that for a long time we must secure increased transportation facilities by allowing foreign vessels to ply in the intercoastal trade, and so forth. I ask permission to insert the telegram in my remarks without reading.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

PORT BLAKELEY, WASH., August 3, 1914.

Hon. W. L. JONES,

Care United States Senate, Washington, D. C.:

Practical unanimous opinion lumbermen this coast for a long while that we must secure increased transportation facilities by allowing foreign vessels to ply in intercoastal trade or admission of foreign vessels to American registry. This absolutely necessary since repeal of free tolls. If you coincide with our opinion, especially admission foreign vessels American registry, please use utmost effort in emergency measure proposed to this effect to see that they are permitted to be used in intercoastal trade. Admission strictly coastwise trade on Atlantic and Pacific not essential. Please answer fully as to conditions emergency measure and probability of our suggestions being accepted, care Benson Hotel, Portland.

D. E. SKINNER.

Mr. JONES. I telegraphed to Mr. Bloedel to give me the facts upon which he was urging this proposition, and he says this in reply, to which I call the attention of the Senator from New York:

Facts showing necessity for this amendment are that all foreign commerce has now been canceled in lumber, account our necessity to

use foreign bottoms, especially German and English. There are only two ships on the Pacific coast adapted to the lumber trade, and practically none on the Atlantic coast, under American register. Therefore it is out of the question to expect to use American ships. If the canal is to be of any advantage after opening on August 15, we must have available shipping to move our lumber. The Atlantic seaboard offers a large field for exportation of our products, but can not be entered without the necessary shipping capacity. British Columbia, a strong competitor of the State of Washington in lumber production, can use foreign ships, and with free lumber has an advantage over us. A practical example, to illustrate, is the steamer *Robert Dollar*, flying the British flag, which left Vancouver Island a month ago containing nearly 5,000,000 feet of lumber destined partly for New York and partly for New London. No shipments from the American side have been made, nor can they be made unless navigation laws are changed.

Then I have here, from the President of the Pacific Fir Co., the following telegram:

The whole Pacific coast needs the use of foreign vessels to carry lumber and other products to the Atlantic coast through the Panama Canal. There are not enough American ships to take care of this business. With our foreign trade cut off, as conditions now exist, our mills will have to close down unless we get this relief. I sincerely hope your amendment will carry.

Then there is this telegram from the Chamber of Commerce of Seattle:

Board of trustees Seattle Chamber of Commerce authorizes forwarding resolution formulated by committee on foreign commerce as follows: "Whereas at this time shippers of lumber, flour, and other products of Pacific coast are practically wholly dependent upon foreign ships for transportation of their commodities to foreign countries, and there are insufficient American ships to conduct the commerce; and "Whereas the shippers have been notified by the agents of these foreign lines that they are unable to engage cargo for forward shipment; and "Whereas we are just now approaching the heaviest shipping period of the year, with an enormous quantity of wheat, lumber, salmon, and other products; and

"Whereas the Panama Canal can be of no material advantage to the shippers of this coast either in foreign or Atlantic coast trade unless suitable and adequate shipping facilities can be secured: Therefore be it

"Resolved, That the Seattle Chamber of Commerce use its influence with Congress and the President to amend the Panama Canal act to permit foreign vessels, irrespective of age, obtaining American registry, limiting them to foreign trade—

That is in support of the bill that is pending—

and to the trade between the Atlantic and Pacific coasts of United States, but excluding them from the coastwise trade between the ports of the United States on the same coast.

J. E. CHILBERG, President.

Mr. President, those are the telegrams and this is the statement of facts on which I have offered this amendment. It seems to me it presents a state of facts very similar to what has been presented in behalf of this bill.

Mr. SHIVELY. Mr. President—

Mr. JONES. I will yield to the Senator in just a moment. It shows that the sailings of foreign vessels carrying our lumber to foreign ports have been canceled, our lumber is left on our hands, and we have not the ships to take it to market. Just as we have not the ships to carry the wheat and the cotton of other parts of the country to market. So they ask this legislation in that behalf, because of those facts and those reasons. The lumber we have heretofore been sending to foreign countries through foreign ships is on our hands because of the war. We want a way to get it to the Atlantic markets that need it. I now yield to the Senator from Indiana.

Mr. SHIVELY. As I understand the Senator's amendment, it would relieve ships sailing from a point on the Pacific coast to a point on the Atlantic coast, or the reverse, from the operations of our present navigation laws governing coastwise trade?

Mr. JONES. Yes.

Mr. SHIVELY. Would it authorize—

Mr. JONES. It authorizes the President to go as far as he thinks advisable.

Mr. SHIVELY. Would it authorize a ship sailing from a point on the Pacific coast to deliver its cargo from point to point on the Atlantic coast, or simply between two points, one on one coast and the other on the other coast?

Mr. JONES. The intention of the bill was to cover shipments between one point on one coast and one point on the other, although—

Mr. SHIVELY. Excluding entirely the idea of port-to-port transactions?

Mr. JONES. I think probably, if we pass the bill, it ought to permit a vessel from a point on the Pacific Coast—

Mr. SHIVELY. To make distribution of its cargo?

Mr. JONES. To make distribution of its cargo between two points on the Atlantic, but not to engage in the coastwise trade between the two except in the discharge of its cargo.

Mr. SHIVELY. In the discharge of its cargo the President could authorize it to stop at different points on the coast of destination?

Mr. JONES. Yes; I should think so.

Mr. NELSON. Mr. President, I do not propose to delay the consideration of this bill for more than a few moments.



I think that never since the days of the Civil War has our country had so fine an opportunity as now to increase her shipping. The farmers of the country, the cotton planters of the South, the wheat and grain and corn farmers of the West and the Mississippi Valley are blessed with abundant crops. Their one great need now is ample transportation facilities to Europe for their surplus crops.

We have noticed lately how, owing to the embargo in the matter of shipping that has arisen from the war, the quotations for grain in the great markets of the West—in Chicago, St. Paul, Minneapolis, and Duluth—have dropped and dropped. We need extra shipping; and never since the days of the Civil War has there been such an opportunity to get it as there is on this occasion.

There are two drawbacks that have prevented us from increasing our deep ocean going shipping: First, the extraordinary cost of our vessels, and, second, the cost of operating them. I have no doubt that during the stress that now exists in the Old World our people will be given the opportunity of buying shipping at reduced rates; much cheaper than they would be able to secure vessels in this country. Then, in connection with that, owing to the fact that so many merchant vessels from the belligerent countries have been thrown out of service, our shipping will necessarily be able to secure higher freight rates.

In two directions, then, during the present exigency and during the existence of the war, from two standpoints, our shipping can get a benefit and will be able to rise out of the chaos of despondency in which it has been for many years. First of all, our people can secure cheaper vessels, owing to the exigencies of the war. In the next place, they can secure higher freight rates and in that way make a success of the traffic.

We have never since the days of the Civil War had such an opportunity, and this bill opens the door. We can then try out the question whether or not our vessels, purchased and operated under these conditions, will be able to compete with the shipping of the Old World.

There is a further thing, too, that gives us an opportunity, and that is the fact that the war will necessarily destroy and eliminate a good deal of the shipping of the countries of the Old World. I need not name them; perhaps it would be impolitic to name them; but undoubtedly some of the shipping of the great countries of the Old World will be eliminated. There will be less shipping to compete with, and our shipping will have a better opportunity on the high seas.

Now, in my opinion, is the accepted time; and while this bill perhaps does not go as far as we might go, it is an entering wedge. I am glad to see that the bill is pending, and I feel satisfied that after we adopt this bill and operate under it for a while we will have a bigger shipping than we have ever had since the days of the Civil War.

Mr. GALLINGER. Mr. President, may I ask the distinguished Senator one question?

Mr. NELSON. I want to tell the Senator one thing that staggered me about the Shipping Trust in this country.

Mr. GALLINGER. All right.

Mr. NELSON. During the Spanish War we had occasion to buy transports from other countries. On account of the neutrality laws we could not hire that shipping, and we had to buy it. The United States bought a number of vessels. Then, after the war was over, and the Government wanted to sell the ships, the Shipbuilding Trust came up here before the Commerce Committee, of which I was a member, and objected to the Government selling its own ships with an American registry. After I saw those manifestations I had no more use for the Shipping Trust.

Mr. GALLINGER. The Government did sell them for about 26 per cent of what the Government paid for them; so the Shipping Trust did not stop the sale. They were bought for an emergency, and I can see no good reason why they should have been sold under American registry and engaged in our coastwise trade.

Mr. NELSON. They did not stop it, but they prevented the sale with an American registry, and that compelled the Government to sell them at reduced prices.

Now, what have you accomplished in all of these years with your law? What have you accomplished? Have you succeeded in the last 25 years, by this strait-jacket system, in building up our merchant marine? You have had a monopoly of shipbuilding. You have said that while I can buy a coat or a suit of clothes in any country in the world if I choose to do it, yet I can not sail a ship under the American flag unless it is built in a shipyard in this country. What have you accomplished in the way of rehabilitating our foreign-going merchant marine?

Mr. GALLINGER. Mr. President, the Senator appears to be excited, but, nevertheless, I am going to ask him a question.

Mr. NELSON. Ask your question.

Mr. GALLINGER. We might have allowed foreign ships to come in as the foreign coat did if they had paid a duty; but that is not what the Senator proposes. He propose to let foreign ships in without paying any duty. You pay a duty on the coat now, but not on the ship.

Mr. NELSON. Let me ask the Senator a question. Is it not a fact that every one of the great maritime countries of the world except our own has free ships? Is not that a fact?

Mr. GALLINGER. We have free ships, too, under the Panama Canal act.

Mr. NELSON. Laying aside the Panama Canal act, is it not a fact that every maritime country in the world except the United States has free ships?

Mr. GALLINGER. But the Panama Canal act is the law of the land, and you can bring in your free ships under that.

Mr. NELSON. How many foreign-going ships have you succeeded in building and launching, under this strait-jacket system, within the last 25 years?

Mr. GALLINGER. The Senator is again rather turbulent.

Mr. NELSON. I am not turbulent. I am a little emphatic.

Mr. GALLINGER. We have not accomplished this result because of the fact that men from the section that the Senator represents have opposed all proposed legislation; but now that there are—

Mr. NELSON. Oh, well, the Senator need not slander little Norway, with two and a half million people.

Mr. GALLINGER. I am not referring to Norway.

Mr. NELSON. She is a neutral country, but her shipping is next to that of the United States. Norway has free ships, and with two and a half million people she has a shipping next to that of the United States. Would not that be a good model for the people of New England to follow?

Mr. GALLINGER. I did not refer to Norway, so that is gratuitous.

Mr. NELSON. Well, I rather got the impression that the Senator was reaching out in that direction—

Mr. GALLINGER. I was not.

Mr. NELSON. And he had better not reach out any more.

Mr. GALLINGER. Mr. President, I fear that I must appeal to the Chair to protect me, because the Senator is threatening now and I am afraid he will do something violent. [Laughter.] May I ask my question now?

Mr. NELSON. Ask it.

Mr. GALLINGER. The Senator's second reason was that we could not navigate our ships in competition with foreign ships.

Mr. NELSON. I never said that.

Mr. GALLINGER. I beg the Senator's pardon.

Mr. NELSON. That has been your argument.

Mr. GALLINGER. But the Senator just said it.

Mr. NELSON. That has been the argument of the Shipping Trust. Why, we have the best sailors and the best mariners in the world in the United States.

Mr. GALLINGER. Does the Senator mean to say that we can navigate our ships in competition with those of foreign countries without aid of some kind?

Mr. NELSON. Oh, that has been your plea—that you could not do it without a great big subsidy.

Mr. GALLINGER. Does the Senator think we can do it?

Mr. NELSON. Unless you plastered over your sailors and your masters and your ships with subsidies, you could not compete; that has been your argument.

Mr. GALLINGER. But we have not any subsidies now, and we are not doing it. Can we do it?

Mr. NELSON. Oh, you have one subsidized line—the American Line.

Mr. GALLINGER. With four ships.

Mr. NELSON. They were to give us great help, and they never got beyond four ships.

Mr. GALLINGER. That is all. Even with a subsidy, then, we can not compete with foreign ships.

Mr. NELSON. We have, even without a subsidy. With a subsidy you gave us four ships.

Mr. GALLINGER. Yes.

Mr. NELSON. Without a subsidy, since the Panama Canal act was passed, we have at least gotten 50 per cent of that—two ships. That shows something.

Mr. GALLINGER. I have not discovered them. Where are they? What two foreign-built ships are they?

Mr. NELSON. The Senator from New York called my attention to them the other day.



Mr. GALLINGER. They probably bought a schooner or a gasoline launch.

Mr. NELSON. Well, Mr. President, we know something about schooners in my country. [Laughter.]

Mr. GALLINGER. I will ask the Senator if he did not give as a second reason, that we could not navigate our ships in competition with foreign ships?

Mr. NELSON. That was not my reason. That is what you said. That is your contention. Your contention all along has been that without subsidies we never could compete.

Mr. GALLINGER. Does not the fact prove that?

Mr. NELSON. Take our shipping out of the strait-jacket and you will not only get more shipping but you will get more work for the American sailors and American masters and American engineers on our vessels.

Mr. GALLINGER. We took it out of the strait-jacket by the Panama Canal act and got no results.

Mr. NELSON. About half as much as you got out of the subsidy to the American line.

Mr. GALLINGER. I deny that any American ships have been bought since the act was passed.

Mr. NELSON. We will try it under this bill and see what we will get. I want to say on behalf of the farmers of the Northwest that we are as much interested in the shipping question as the shipbuilders of New England. They carry our products to market and we need them.

Mr. GALLINGER. You are interested now, but you were not when the opportunity was presented to have shipping legislation, because you were satisfied that you could have foreign ships.

Mr. NELSON. What about these foreign ships? I am glad that the war has come, in one way. We find that American capitalists have been investing their money in foreign ships. Perhaps some of those ships will be idle and they will not draw their dividends. Any American so unpatriotic as to invest his capital in a foreign ship sailing under a foreign flag I have no use for.

Mr. GALLINGER. I have a great deal.

Mr. NELSON. I have no use for him. Even if I was not born in this country, I want to tell the Senator from New Hampshire, I am glad this war will deprive some of the rich Americans who put their money into foreign ships of their dividends and give us a chance to build up American shipping.

Mr. GALLINGER. Mr. President, I have made the observation I rose to make and I am done.

Mr. NELSON. Call it a footnote to what I said.

Mr. GALLINGER. I will call it a postscript.

Mr. NELSON. Yes; either a footnote or a postscript.

Mr. GALLINGER. American capitalists have invested in foreign ships because under our law we have no governmental protection for our ships. They could not by any possibility invest in American ships and make them profitable. Neither would the Senator from Minnesota.

Mr. NELSON. It was the almighty dollar that moved them.

Mr. GALLINGER. Certainly; and it is the almighty dollar that moves you to advocate this law so as to get your wheat to a foreign market.

Mr. NELSON. Not at all.

Mr. BURTON. Mr. President, quite a number of statements have been made in regard to the ships on the Great Lakes, some of which, it is alleged, are available for the foreign trade. I have sent telegrams of inquiry and received answers. I will not detain the Senate for the purpose of reading them. The replies seem to show that only ships of comparatively small size, 250 feet in length and with a draft of 14 feet, are available in any event. These boats have a carrying capacity of 3,000 tons, some more than that. There are about 40 with American registry, but it is stated that there is a larger number of foreign-built ships on the Canadian side of the Welland Canal which might be used for trans-Atlantic traffic. One of these telegrams is from Capt. John Mitchell, a vessel owner and operator of large experience; two of them from Hon. James H. Cassidy, who was a Member of the Sixty-first Congress; and another from the manager of the steamship line plying between Chicago and the St. Lawrence River.

Mr. NELSON. Will the Senator yield to me?

Mr. BURTON. Certainly.

Mr. NELSON. Does not the Senator think that those big carriers on the Lakes, from their form of construction and all that, are unfit for ocean traffic?

Mr. BURTON. I am inclined to think so. They have less freeboard and their engines and boilers are located in the stern.

Mr. NELSON. I have sailed on them to Duluth. I think those big carriers carry from five to ten thousand tons of ore.

Mr. BURTON. More than that—12,000, some of them.

Mr. NELSON. They are utterly unfit for a sea voyage across the Atlantic, and what is more, I doubt whether they can get out of the St. Lawrence Canal. So the idea of getting any help from shipping on the Great Lakes looks to me as far-fetched and shadowy.

Mr. BURTON. A more serious objection, no doubt, is the length. Some of the latest are 600 feet and more, and the Welland Canal allows boats of only about 250 feet to go through.

I ask unanimous consent for the printing of these telegrams in the Record.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

CLEVELAND, OHIO, August 5, 1914.

Senator THEODORE E. BURTON,  
United States Senate, Washington, D. C.:

The only lake vessels available for salt-water service that can pass through Welland Canal are the vessels belonging to the Great Lakes & St. Lawrence Transportation Co., D. Sullivan, manager, Chicago. They are bulk-freight vessels and not fitted for passenger service. The names of the vessels are as follows: A. D. Davidson, A. M. Marshall, G. C. Howe, S. C. Dalton, John Crerar, John Lambert, J. S. Keefe, Robert Wallace, and S. N. Parent. The following vessels can go through canal but are not fitted for salt water, but could be made so in about two months: Passenger boats, Virginia, Alabama, Illinois, Missouri; package-freight vessels, Huron, Minneapolis, St. Paul, W. C. Rhodes, Arlington, Bennington, Brandon, Burlington, Ogdensburg, Rutland; bulk freighters, A. D. McTier, F. P. Jones, Lucius Robinson, Adrian Islen, Jerre Spalding, Charles Beatty, and Irwin L. Fischer. The following lake-built vessels are now on the Atlantic coast and are fitted for salt-water service: P. P. Lisman, Mary E. Harper, Penobscot, Seacomet, Kanawha, Kennebec, Georgetown, Waccamaw. All the above vessels can get through Welland Canal and those not fitted for salt water can be so fitted in about two months and would be seaworthy if so fitted.

JOHN MITCHELL.

CLEVELAND, OHIO, August 6, 1914.

Hon. T. E. BURTON,  
Washington, D. C.:

There are 20 American steel freight ships available, capacity 3,000 tons; will take about one month to refit with condensers, etc., and increase coal bunkers. There are 2 American steel passenger ships available. These 22 steel ships are seaworthy and Welland Canal size. All wooden ships unseaworthy.

JAMES H. CASSIDY.

CHICAGO, ILL., August 6, 1914.

Hon. THEODORE E. BURTON,  
United States Senate, Washington, D. C.:

At the request of our Cleveland office I am sending you the following data: There is registered under the American flag on the Lakes steel steamers aggregating 50,000 tons gross register that can navigate Welland and St. Lawrence Canals, and while the vessels are well constructed and seaworthy, owing to their low freeboard and small carrying capacity could not be considered successful in the trans-Atlantic trade. A small percentage are fitted with surface condensers and other necessary salt-water requirements, but at least 80 per cent would have to be refitted before navigating salt water. There is a much larger number of ships available for the St. Lawrence trade sailing under the British flag.

D. SULLIVAN.

CLEVELAND, OHIO, August 6, 1914.

Hon. T. E. BURTON,  
Washington, D. C.:

There are about 150 British-built Welland Canal steel ships on Canadian side of Lakes.

JAS. H. CASSIDY.

Mr. BURTON. Mr. President, I desire also to introduce an amendment to which I hope there will be no objection, authorizing the American Red Cross to charter a boat and to give to it, in the discretion of the President, and during hostilities, an American registry and the privilege of carrying the American flag. This society has done a noble work in this country and, in fact, all over the globe. It has been very efficient. Very considerable relief came to our country from foreign countries during the Spanish-American War. We should reciprocate, and it is intended that an immediate effort be made to send supplies, nurses, and physicians abroad, but the managers of the society find that they are unable to obtain any boat under American registry. I ask that the amendment be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The SECRETARY. Add a new section to the bill, as follows:

SEC. —. With the consent of the President and during the continuance of hostilities in Europe, any ship chartered by the American Red Cross for relief purposes shall be admitted to American registry under the provisions of this act and shall be entitled to carry the American flag.

Mr. WEEKS. I have a telegram from the Boston Chamber of Commerce, a very large organization, that has been giving consideration to this legislation and wires its reasons for being opposed to it. I should like to have it incorporated in the Record.

The VICE PRESIDENT. Without objection, that will be done.

Mr. WEEKS. I will ask to have it read. It is short.



The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

BOSTON, MASS., August 5, 1914.

Hon. JOHN W. WEEKS,

United States Senate, Washington, D. C.:

Our committee on maritime affairs and members of executive committee and directors present at meeting this morning are unanimously of opinion that Underwood bill in present form would be entirely ineffective. Executive committee and directors adopted following resolutions:

"Resolved, That while we earnestly desire that adequate accommodations be made available for our legitimate ocean commerce, we can not approve those features of the Underwood bill which might subject us to the risks of war, and which, in our opinion, would be wholly ineffective.

"Resolved, That our real need and the only effective course for the present situation is a permanent increase in the number of bona fide American vessels adapted to and engaged in the ocean-carrying trade. Such an increase would not involve us in complications with other nations and would be of real and permanent advantage to the commerce of this country.

"Resolved, That we strongly urge the passage of legislation which will result in an effective and permanent increase in the number of ocean-carrying vessels flying the flag of the United States, either by immediately providing Federal aid which will put American steamship lines owned and officered by American citizens on a parity with lines owned and operated by foreign companies or by admitting foreign vessels to American registry only upon such conditions as will insure their remaining under the American registry when the present exigency has passed and insure their nationality being respected by the world.

We hope you will successfully oppose passage of bill and are writing you more fully.

J. RANDOLPH COOLIDGE, Jr.,

JAMES A. MCKIBBEN,

President and Secretary Boston Chamber of Commerce.

Mr. MARTINE of New Jersey. Mr. President—

Mr. WEEKS. I think I have the floor.

Mr. MARTINE of New Jersey. Very well.

Mr. WEEKS. Before I take my seat, if the Senator from New Jersey will pardon me, I should like to direct one inquiry to the Senator from New York. This legislation amends section 5 of the Panama Canal act, the last sentence of which reads:

Foreign-built vessels registered pursuant to this act shall not engage in the coastwise trade.

I want to ask the Senator if he is confident that if these vessels are purchased under the provisions of the pending bill they can not be transferred to the coastwise trade as can other vessels having American registry?

Mr. O'GORMAN. The pending bill specifically provides that foreign-built vessels registered pursuant to this act shall not engage in the foreign trade. They can not have their enrollment changed or modified. No foreign ship under existing law or under the law as it will be amended when this bill is enacted can engage in the coastwise trade.

Mr. MARTINE of New Jersey. Mr. President, I made some reference to a resolution that I had sketched as being very much expressive of my thoughts and desires, and with the permission of the Senate I desire to read it. I have written it in a very hurried way. It may not be correct in verbiage to carry out my desire and intent, but it at least expresses my views:

Senate concurrent resolution 31.

Resolved by the Senate of the United States (the House of Representatives concurring), That the Secretary of the Navy and the Secretary of Commerce jointly be, and are hereby, authorized and empowered to purchase such craft in this and foreign countries as in their judgment may be suitable, adaptable, and necessary for the transportation of passengers and freight to and from the various ports of the world. All provision for manning, sailing, and maintaining such craft to be vested in the above-named Secretaries until otherwise provided.

I desire to offer that concurrent resolution. It expresses my feelings and my desires. As I said before, I believe it will be the opening of a new dawn, and it will be a simple way at results.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. GALLINGER. What is the resolution?

The VICE PRESIDENT. It has just been read.

Mr. GALLINGER. May I ask that it be read again? I did not hear it read from the desk.

Mr. O'GORMAN. I object to the consideration of the resolution.

The VICE PRESIDENT. Objection being made, the resolution will go over one day under the rule.

Mr. JONES. I have here an editorial that appeared in the August number of the Marine Review that I ask may be printed in the Record as a part of my remarks.

The VICE PRESIDENT. If there be no objection, it will be so ordered.

The matter referred to is as follows:

OFFICE OF THE MARINE NEWS,  
New York, August 2, 1914.

The August number of the Marine News will contain the following editorial, the reproduction of which at any time in any other newspaper is permitted, but with the request that credit be given as to its source.

ALEXANDER R. SMITH,  
Editor of the Marine News.

#### AN HYSTERICAL BUT FUTILE EXPEDIENT.

Since August 24, 1912, any foreign-built American-owned ship not over 5 years old has been eligible to American registry for foreign trade. Such ships, so admitted to our registry, may enter into ocean mail contracts with our Government under our so-called ship-subsidy act of 1891; and, besides, imports in American ships are entitled to a discount of 5 per cent of the duty under the new tariff. These advantages (?) have not brought a single foreign vessel under American register—they are not sufficient to offset the disadvantages. What are the disadvantages? More onerous and oppressive laws, rules, and regulations enforced by our Government than are enforced by other Governments; higher pay of masters, officers, and men employed on American ships; a more costly statutory food scale.

It is now proposed to overcome these disadvantages by removing the age limit under which foreign vessels may be admitted to American registry, and to give the President authority to permit aliens to command, officer, and man ships under American registry. These expedients will not avail to bring foreign vessels under American registry, unless temporarily during a period of war in which vessels of certain nations would be subject to capture by their enemies. They are much more likely to involve the United States in complications with nations that may question the good faith of such ship naturalization, capture the ships, and thus offer an affront to our flag. In normal times it has been conclusively demonstrated that the policy of "free ships" is unavailing as a means of building up American shipping in foreign trade. This seems to be the only expedient proposed—something of a temporary nature to meet a sudden emergency, full of dire dangers, but of no permanent benefit.

Of course, it is supposed that by allowing aliens to command and officer ships under the American flag, such aliens can be secured, and if not now, after the war, at less pay than Americans demand. It is hoped that by permitting this extremely trifling proportion of the crew of a modern steamship to be aliens the difficulty of building up our merchant marine in foreign trade will be overcome; that and the device of allowing foreign-built American-owned ships, whatever their age, to come under our registry.

As nothing now in our laws compel American ships, except those under mail contracts, to carry Americans in the crews of their vessels, and the pay of such American crews is from 50 to 100 per cent higher than the pay of the crews of foreign ships, will the proposed change in our law allowing aliens to command and officer ships under our flag effect a reduction in the pay of the crews of the ships; and if so, how?

The age limitation on vessels admissible to American registry is for the purpose of preventing old, worn-out, uneconomical foreign ships from coming under our flag; the removal of the age limitation is an invitation to old, worn-out, uneconomical foreign ships, perhaps otherwise headed for the scrap heap, to come under American registry. The foreigner who receives American money for his old, uneconomical ship will invest it in new, modern, economical ships. Will the older and less economical American ship, operated at higher cost than the foreign ship, be able to profitably compete with the newer, more economical, more cheaply operated foreign ship?

The best ships under foreign flags, and most of their masters, officers, and seamen are enrolled in the naval reserves of their several countries, and neither ships, officers, nor men are allowed to change their nationality without the consent of the Governments that have been subsidizing them in various ways to the extent of approximately \$50,000,000 a year in order to have them for use in precisely such an emergency as now exists—a war in which the Governments subsidizing the ships are involved. Is it to be assumed that nations that are annually paying \$50,000,000 in order to have merchant ships, their officers and crews available for auxiliary war purposes, will relinquish such ships and men in war times?

To be sure, we may be able to get the worst ships that are available under foreign flags, just as we were able to do so during the Spanish-American War. Shall we start to build up an American (?) merchant marine in foreign trade with ships that are the offscourings of the world, least useful, least economical—ships that are in the economic discard?

All but six of the ships of the International Mercantile Marine Co. (an American corporation) are under foreign, chiefly British, flags; and the ships under British flags, by agreement between the company and the British Government, are to stay under that flag, the officers and a certain proportion of the crews of which "must be British subjects," unless the British Government releases the ships. Similar conditions are imposed by other Governments upon the most desirable ships under their flags.

Is not the time opportune to establish an effective and enduring policy by which to build up a real American merchant marine in foreign trade? The country begins to realize, dimly to be sure, but to an extent the disadvantages inhering in almost total dependence upon foreign ships for our foreign carrying. In the emergency confronting us probably Congress can be induced to establish an effective and enduring policy as easily as it can be induced to adopt a temporary expedient that will be without avail the moment peace is restored. The tariff provides a discount of 5 per cent of the duty on imports in American vessels, a provision the executive branch of the Government refuses to enforce, although its validity has been sustained by the court. The weakness of this method of applying this policy is that it is applicable only to dutiable imports—about 35 per cent of all of our imports—and to almost none of our imports from South American countries. By reversing the method of applying this policy so as to place an extra 5 per cent duty on all imports in foreign vessels, dutiable or nondutiable, it would be infinitely more effective, yet the principle would be preserved. The first tariff inaugurated this policy in the way of a discount of the duty, but in five years Congress reversed it, and as long as it was thereafter in force it was in the way of an extra duty, because more effective that way. If, in addition, the tonnage tax were greatly increased on foreign vessels that would completely reestablish this policy in the manner that it was in full or partial force from 1789 until 1850, during which period an average of 80 per cent of our entire foreign commerce was carried in American ships.

There was neither clamor for nor need of "free ships" during all of the years that policy was in force—during all of the years of American maritime greatness.

Did we hear it said that our commercial treaties forbid such discrimination? The court has declared that such provisions of treaties as forbid are a violation of both the spirit and the letter of the Constitution, because, says the court, the treaty-making branch of the Government exceeded its powers in entering into such treaties. Is there fear of retaliation? During the 60 years the policy was in full or partial force the effect of foreign retaliation was to give foreign ships the carrying of an average of 20 per cent of our foreign commerce. Could we not bear retaliation that would again give us 80 per cent of the carrying better than we are able to stand "reciprocal liberty of



commerce" under which our ships carry a bare 10 per cent of our foreign commerce?

Chairman UNDERWOOD started out in his tariff bill to restore this early successful American maritime policy—"the constitutional regulation of commerce" pledged in the Democratic national platform. Both he and Congress might far better proceed along that line to more effective accomplishments than to dally with the disappointing mirage of free ships, coupled with alien masters, officers, and crews. The national gorge should rise in contemplation of "an American merchant marine" composed of ships built in alien countries, of alien materials, by alien workmen, commanded, officered, and manned by aliens.

Mr. STONE. Mr. President, I am going to vote for the bill as it is because of the anxiety I feel in common with others to provide some better means than we have to meet the exigency of the hour. I am not disposed, however, to let the opportunity pass without registering my dissent to the provision in the bill and in the Panama Canal administration act which exempts, in terms and in perpetuity, any vessel purchased under this act or any American vessel from engaging in the coastwise trade. I do not believe in that policy. That is all I wish to say, that I may not, as far as I am personally concerned, feel in any wise estopped when the question arises in the future by what may be done to-day.

I wish to inquire if there is any likelihood of passing the bill to-night. I will be very glad to have it done, but if there is not I think it important to have a brief executive session.

Mr. O'GORMAN. Mr. President, I know of no reason why we ought not to proceed at once to a vote on the question. I know of no other Senator who desires to discuss it.

I desire to say at this time that I believe the amendment proposed by the Senator from Ohio [Mr. BURTON] in behalf of the Red Cross Society has every merit and should be adopted. I make the same statement with reference to the amendment offered by the Senator from Washington [Mr. JONES], so that relief may be given to the people of the Pacific coast. I ask for a vote, Mr. President.

Mr. SAULSBURY. I ask in what form—

The VICE PRESIDENT. Just a moment. The committee has so completely changed the terms of the bill as reported by the committee that the Chair thinks it will be needful to read the proposed bill as now reported by the committee in order that the Senate may vote intelligently. The Chair will instruct the Secretary to read the bill as now reported to the Senate by the committee, and then amendments may be offered later on.

The Secretary read the amended bill, as follows:

An act (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Be it enacted, etc., That section 4132 of the Revised Statutes of the United States as amended by the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone," approved August 24, 1912, is hereby amended so that said section as amended shall read as follows:

"SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutula, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title. Foreign-built vessels registered pursuant to this act shall not engage in the coastwise trade: *Provided*, That a foreign-built yacht, pleasure boat, or vessel not used or intended to be used for trade admitted to American registry pursuant to this section shall not be exempt from the collection of ad valorem duty provided in section 37 of the act approved August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.' That all materials of foreign production which may be necessary for the construction or repair of vessels built in the United States and all such materials necessary for the building or repair of their machinery and all articles necessary for their outfit and equipment may be imported into the United States free of duty under such regulations as the Secretary of the Treasury may prescribe: *Provided further*, That such vessels so admitted under the provisions of this section may contract with the Postmaster General under the act of March 3, 1891, entitled 'An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' so long as such vessels shall in all respects comply with the provisions and requirements of said act."

SEC. 2. The President of the United States is hereby authorized, whenever he shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable, the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

Under like conditions and to like extent the President of the United States and the Secretary of the Navy are hereby authorized to direct that the navy yards of the United States, and all of their equipment and dockage facilities, be used for the purpose of repairing and keeping in a seaworthy condition all merchant vessels now or hereafter registered under the American flag, under such conditions as in their discretion are just and equitable: *Provided*, That such additional use of said navy yards and their equipment shall not in any way interfere with the paramount purposes of the Navy of the United States.

SEC. 3. Naval officers of the United States, active or retired, and men serving or employed in the Navy of the United States, may, upon application made by them to the Secretary of the Navy, be permitted to accept such temporary service on board vessels registered under the terms of this act as may not be detrimental to the naval efficiency of the United States, without prejudice to their rank or status in the naval service or any loss, prejudice, or detriment whatever.

SEC. 4. This act shall take effect immediately.

#### DEATH OF MRS. WOODROW WILSON.

Mr. KERN. Mr. President, it becomes my duty to convey to the Senate the melancholy intelligence of the death of Mrs. Wilson, the wife of the President of the United States. Of course the President in this hour has the earnest sympathy of all the people of the Nation, and, as a mark of the sympathy entertained here and all through the Republic, I move that the Senate do now adjourn until 11 o'clock to-morrow morning.

The motion was unanimously agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 7, 1914, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

THURSDAY, August 6, 1914.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O God our Father, a great sorrow has come to our people and our hearts turn to Thee for comfort. The angel of death hovers over the White House. The wife of our President is fast passing from the scenes of this life. Be with him in this hour of distress and sustain him by Thy holy influence and by the sympathies which go out to him from the heart of America. We thank Thee that amid his grief and sorrow he could proffer his service as mediator 'twixt the belligerent nations of Europe, and we most fervently pray that it may be accepted in the same spirit that it is offered; that their differences may be adjusted by the wise and humane methods of arbitration; that the world may be spared a scene of carnage and misery never before witnessed. Hasten, we beseech Thee, the day when Christian nations shall be indeed nations of Christians, and a reign of peace be come that shall never end. Hear us in the name of wisdom, in the name of justice, in the name of mercy, in the name of humanity, in the name of the world's great Exemplar. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### THE PRESIDENT AND HIS WIFE.

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House resolution 585.

*Resolved*, That the House of Representatives of the United States tender to the President, in this his hour of apprehensive sadness, their warmest sympathy, and pray that God in His mercy may restore to health his good wife, adviser, and helpmate.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

#### CHAMBER OF COMMERCE OF MINNEAPOLIS.

Mr. DILLON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, relative to the by-laws, rules, and regulations of the Chamber of Commerce of Minneapolis as affecting the grain merchants.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. BARNHART. Mr. Speaker, reserving the right to object, I did not understand what the gentleman said as to the nature of his remarks.

Mr. DILLON. Discussing the by-laws, rules, and regulations of the Chamber of Commerce of Minneapolis as affecting the grain trade.

Mr. BARNHART. All right.

The SPEAKER. Is there objection?

There was no objection.



## POSTAL AND CIVIL-SERVICE LAWS.

On motion of Mr. Moon the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, with Mr. CONRY in the chair.

Mr. MOON. Mr. Chairman, when the bill making appropriations for the Post Office Department for the fiscal year 1915 was under consideration there were a number of amendments to that bill which were obnoxious to the rule of the House prohibiting new legislation on appropriation bills, and for that reason they were stricken out. Some of the sections so stricken out have since been enacted into law by separate bills. Most of them, however, are incorporated in the bill now under consideration before the House, and there are a number of other sections also included in this bill. The committee had this measure under consideration immediately after its introduction into the House, and reported it to this House with two or three minor amendments, which were incorporated in the second print of the bill. Subsequent to that action the committee met and agreed upon a number of other committee amendments to this bill which have not yet been incorporated in it, but have in part been printed. I now ask unanimous consent that the amendments so agreed upon by the committee, and with reference to which this bill must be discussed, be placed in the RECORD; and for the information of the committee I ask that those amendments be read.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to have the amendments to which he refers read. Is there objection?

There was no objection.

The Clerk began the reading of the amendments.

Mr. SAMUEL W. SMITH. Mr. Chairman, I should like to inquire if the bill has been printed with the amendments included?

Mr. MOON. No; the bill has not been printed since these amendments have been adopted. I think it would be very well to have it so printed.

Mr. MANN. Will the gentleman yield?

Mr. MOON. Yes.

Mr. MANN. When we go back into the House, will not the gentleman ask unanimous consent to have the bill printed with the amendments?

Mr. MOON. Yes; I will do that; and in view of that fact we might as well omit the reading now. The amendments may be printed in the RECORD, and when we go back into the House I will ask to have the bill printed with the amendments.

The CHAIRMAN. If there be no objection, it will be so ordered.

The amendments are as follows:

Amendments intended to be proposed to the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, viz:

"In line 2, on page 10, strike out 'five' and insert in lieu thereof 'four.'"

"In line 5, on page 10, insert the word 'and' before the words 'closed-pouch' and strike out the comma and the words 'and side and transfer service' and insert a period, making the line read 'and closed-pouch service.'"

"Strike out all of lines 13, 14, and 15, on page 11."

"In line 19, on page 11, strike out 'twenty' and in lieu thereof insert 'twenty-one.'"

"In line 24, on page 11, strike out 'ten' and in lieu thereof insert 'ten and one-half.'"

"In line 1, on page 12, strike out 'five' and in lieu thereof insert 'five and one-half.'"

"In line 8, on page 12, strike out 'eighteen' and in lieu thereof insert 'twenty.'"

"In line 10, page 12, strike out '\$2.50' and in lieu thereof insert '\$2.'"

"In lines 2 and 3, on page 13, strike out the words '95 per cent of.'"

"Strike out all of lines 20, 21, 22, 23, 24, and 25, on page 13, and lines 1 and 2, on page 14, and in lieu thereof insert the following:

"The Postmaster General may require railroad companies carrying the mails to deliver them into and take them from the terminal and intermediate post offices and transfer them between railroad stations, on their routes, without additional compensation, under such regulations as he may deem proper, in cases where he does not provide for such service otherwise: *Provided*, That the Postmaster General in his discretion may relieve any of the roads of such service."

"In lines 8 and 9, on page 14, strike out the words 'excepting for side and transfer mail service.'"

"Sec. 16. That whenever in the judgment of the Postmaster General the bids received for any star route are exorbitant or unreasonable, or whenever he has reason to believe that a combination of bidders had been entered into to fix the rate for star-route service, the Postmaster General be, and he is hereby, authorized, out of the appropriation for inland transportation by star routes, to employ and use such means or methods to provide the desired service as he may deem expedient, without reference to existing law or laws respecting the employment of personal service or the procurement of conveyances, materials, or supplies."

"Sec. 17. That, in the discretion of the Postmaster General, the pay of carriers who furnish and maintain their own motor vehicles and who serve routes not less than 50 miles in length may be fixed at not exceeding \$1,800 per annum."

The CHAIRMAN. The Chair has been informed that there are two amendments here that are typewritten.

Mr. MOON. The two amendments that are tacked on there, that are typewritten, are to be introduced as separate sections.

The CHAIRMAN. The Chair deemed it best to call attention to that fact.

Mr. MOON. Mr. Chairman, a number of these sections were pretty fully discussed on another occasion. I do not deem it necessary to go very fully into the discussion of those propositions that have once been under consideration in the House. The first section in this bill provides:

*Be it enacted, etc.,* That hereafter when, during a weighing period, on account of floods or other causes, interruptions in service occur on railroad routes and weights of mail are decreased below the normal, or where there is an omission to take weights, the Postmaster General, for the purpose of readjusting compensation on such railroad routes as are affected thereby, is hereby authorized, in his discretion, to add to the weights of mails ascertained on such routes during that part of the weighing period when conditions are shown to have been normal the estimated weights for that part of the weighing period when conditions are shown to have been not normal or where there has been an omission to take weights, based upon the average weights taken during that part of the weighing period during which conditions are shown to have been normal, the actual weights and the estimated weights to form the basis for the average weight per day upon which to readjust the compensation according to law on such railroad routes for the transportation of the mails, notwithstanding the provision of the act of Congress approved March 3, 1905, requiring that the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days, not less than 90, as the Postmaster General may direct: *Provided further*, That readjustments from July 1, 1913, may be made under this provision on routes in the first section affected by the floods in the Ohio Valley and tributary territory, commencing about March 25, 1913: *Provided further*, That on account of the increased weight of mails resulting from Postmaster General's Order No. 7349, of July 25, 1913, respecting rates upon and limit of weight of parcel-post packages in the local, first, and second zones, and effective from August 15, 1913, the Postmaster General is authorized to add to the compensation paid for transportation on railroad routes on and after August 15, 1913, for the remainder of the contract terms, not exceeding one-half of 1 per cent thereof per annum.

This section of the bill is intended to remedy that situation which exists with reference to the weighing of the mails when abnormal conditions occur, such as the floods in the Ohio Valley a year or two ago.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. MOON. Certainly.

Mr. LLOYD. What is the necessity of this section if we adopt section 13?

Mr. MOON. The necessity is due largely to the fact that the adjustment has not been made for the fiscal years 1913 and 1914. It is essential to have the authority of Congress to make that adjustment, even though the subsequent section, section 13, which is the main feature of this bill, should be adopted. I deem it unnecessary to discuss that question further than to make that statement in reference to the situation calling for this legislation, but I will place herewith in the RECORD a specific statement in reference to this matter and, with the permission of the House, a communication from the department requesting this enactment and giving the reasons for it, as follows:

In a letter dated December 1, 1913, the Postmaster General fully explained the provisions of this section, as follows:

DECEMBER 1, 1913.

Hon. JOHN A. MOON,  
Chairman Committee on the Post Office and Post Roads,  
House of Representatives.

MY DEAR MR. CHAIRMAN: The quadrennial weighing of the mails for the purpose of securing data upon which to base the readjustment of compensation for the transportation of mails by railroads in part of the first contract section comprising the States of New York, New Jersey, Delaware, Pennsylvania, Maryland, Virginia, and West Virginia began on February 19, 1913, and ended on June 3, 1913.

During several weeks of the weighing period commencing about March 25, 1913, the disastrous floods in the Ohio River Valley and contiguous territory occurred, and as a result service on a number of railroad mail routes which were being weighed was seriously interrupted and in some cases totally suspended for periods of greater or less duration. The floods also caused an almost total cessation of business in the communities affected, all of which served to reduce the weights of mails carried on the routes referred to during the period of interruption in service considerably below the normal, resulting in lower average daily weights than would have been carried normally.

Inasmuch as the rate of compensation for four years is based upon such average daily weights, it would appear equitable to make some allowance for the reduced weights.

The question of the authority of the department to make substitutions of estimated weights based upon the average weights for the normal part of the weighing period for the part of the weighing when weights were not normal or when none had been taken has been submitted to the Comptroller of the Treasury, who has rendered a decision reading as follows:

"The law does not specify or detail the manner in which the average weight shall be determined except that it be by actual weighing of the mails for such a number of successive working days, not less than 90, the result of such weighing to be stated and verified in such form and manner as you may direct. (19 Comp. Dec., 220.) You are given broad power and discretion in the matter of adjusting the compensation for transportation over railroad routes which is to be adjusted on the basis of the actual weight as established during the weighing period."

"Therefore as the actual weight as established during the weighing period is merely a test upon which to base the compensation for the next four years, you are undoubtedly authorized for the purpose of



such test to take into consideration and deduct any increased weight over a particular railroad route due to temporary diversion, and credit same to the road which would carry it under normal conditions during the next four years, subject to the limitation that the weight so credited shall not be credited to any other road during such weighing period.

"Whether or not this method is advisable or practicable under the circumstances detailed in your submission is a matter of administration for your own determination, and which I am not authorized to decide. But your specific question as to your authority under the law to adopt this method for determining the average weight during the weighing period upon which to base the compensation for transportation of the mails is answered in the affirmative, provided that the total weight for the railroad routes involved or the weighing section taken into consideration in so adjusting the compensation shall not exceed the total weight of such railroad routes or sections as established by actual weight during the weighing period."

Under this decision it does not appear that the department has the requisite authority to make substitutions of weights of mail in the cases described, and to give the Postmaster General authority of law to deal with cases of this character which occurred during the last quadrennial weighing and those which may occur hereafter I have the honor to suggest that the following provision of law be inserted in the bill making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes, as part of the item "For inland transportation by railroad routes":

"Provided, That when during a weighing period, on account of floods or other causes, interruptions in service occur on railroad routes and weights of mail are decreased below the normal, or where there is an omission to take weights, the Postmaster General, for the purpose of readjusting compensation on such railroad routes as are affected thereby, is hereafter authorized in his discretion to add to the weights of mails ascertained on such routes during that part of the weighing period when conditions are shown to have been normal the estimated weights for that part of the weighing period when conditions are shown to have been not normal, or where there has been an omission to take weights, based upon the average of weights taken during that part of the weighing period during which conditions are shown to have been normal, the actual weights and the estimated weights to form the basis for the average weight per day upon which to readjust the compensation according to law on such railroad routes for the transportation of the mails, notwithstanding the provision of the act of Congress approved March 3, 1905, requiring that the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days, not less than 90, as the Postmaster General may direct: *Provided further*, That readjustments from July 1, 1913, may be made under this provision on routes in the first section affected by the floods in the Ohio Valley and tributary territory commencing about March 25, 1913."

Yours, very truly,

A. S. BURLISON,  
Postmaster General.

The last proviso in section 1, providing for increased compensation for railroads on account of the increased weight of mails due to the changes in parcel-post conditions from August 15, 1913, authorizes the Postmaster General to add to the compensation paid on railroad routes on and after August 15, 1913, for the remainder of the contract terms, not exceeding one-half of 1 per cent thereof per annum, and is for the purpose of recompensing the railroad companies for the additional weights of mails carried as a result of the increase in rates and the raising of the weight limit of parcel-post matter in the local, first, and second zones, effective from August 15, 1913. A careful estimate has been made as to the amount of increased business which has resulted from the changes named, and it is believed that the percentage of increased compensation provided in the suggested legislation will compensate the railroads for the additional weights they have carried.

The statistics upon which this estimate of increased business have been based were secured from a tabulation of the count of parcel-post mail originating in the 50 largest offices during the period from October 1 to 15, 1913. These data were carefully analyzed and the additional weight obtained by the tabulation was averaged for all railroad routes in operation, making allowance for the short average haul of the increased business, from which it was found that the average increased weight carried per route per day was 62 pounds, which is one-half of 1 per cent of the average daily weight on all routes.

If this provision becomes a law, it will be necessary to make provision for an additional expenditure of \$222,000 for the fiscal year 1914 and of \$254,000 for 1915. The difference in these amounts arises from the fact that the increased compensation in 1914 dates from August 15, 1913, while the increased compensation for 1915 covers the whole year.

Mr. Chairman, I fear that I shall be a little tedious, but yet it is necessary that I take these sections up one by one and discuss them as briefly as I can. Passing to the second section of the bill as originally introduced, the committee has reached the conclusion that it should go from the bill. It will not, therefore, be now discussed.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. MOON. Certainly.

Mr. MURDOCK. Mr. Chairman, I do not want to interrupt the gentleman from Tennessee to bother him at all, but I am following him in his remarks with a bill that was introduced on June 4 and reported with amendments on June 5. Am I correct in that?

Mr. MOON. Yes.

Mr. MURDOCK. Section 2 in that bill has been stricken out. Is the gentleman speaking to that?

Mr. MOON. No; I have just said that I would pass over that, because the committee has not reported favorably upon it.

The third section of the original bill, now numbered 2 of this bill as amended, is as follows:

Sec. 2. That so much of section 4 of an act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, approved August 24, 1912, as provides that no adjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the routes affected, is hereby repealed.

That repeal is advocated because of the manifest injustice that might be done to the railroads that carry a less amount than this but that yet are heavily burdened with this service, and I also present herewith detailed reasons for that.

In a letter dated December 1, 1913, the Postmaster General explained fully the necessity for the enactment of this provision. This letter reads as follows:

DECEMBER 1, 1913.

Hon. JOHN A. MOON,

Chairman Committee on the Post Office and Post Roads,  
House of Representatives.

MY DEAR MR. CHAIRMAN: Section 4 of the act of August 24, 1912, making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, provides as follows:

"Sec. 4. When, after a weighing of the mails for the purpose of readjusting the compensation for their transportation on a railroad route, mails are diverted therefrom or thereto, the Postmaster General may, in his discretion, ascertain the effect of such diversion by a weighing of such mails for such number of successive working days as he may determine, and have the weights stated and verified to him as in other cases, and readjust the compensation on the routes affected accordingly: *Provided*, That no readjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the routes affected: *Provided further*, That readjustment made hereunder shall not take effect before July 1, 1912, and shall be for diversions occurring after January 1, 1912."

The authority conferred upon the Postmaster General by the foregoing provision has been of service in a number of cases, and will undoubtedly continue to be an effectual means of meeting cases of diversions of mails of considerable volume. Experience, however, has emphasized the desirability of the repeal of the proviso limiting action to cases where the diverted mails equal at least 10 per cent of the average daily weight of mails on any of the routes affected. A number of cases have arisen where it has not been possible to make the readjustments because of the limitation referred to, although the facts have otherwise justified such action.

I have the honor, therefore, to recommend the repeal of the first proviso of section 4 of the act of August 4, 1912, and for that purpose suggest the following form of provision, viz:

"So much of section 4 of an act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, approved August 24, 1912, as provides that no adjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the routes affected, is hereby repealed."

Yours, very truly,

A. S. BURLISON,  
Postmaster General.

Attention is also invited to the testimony of the Second Assistant Postmaster General before the House Committee on the Post Office and Post Roads on this bill, pages 4, 5, and 6 of the hearings on H. R. 17042, and on the Post Office appropriation bill for 1915, pages 127 to 130 of the hearings on that bill, as follows:

Mr. STEWART. There is now a provision of law which allows us, after a weighing has occurred and a diversion of mails has been made from one route to another, to reweigh the diverted mails and readjust the routes affected, but the statute does not permit us to make such reweighing and readjustment unless such diverted mails amount to at least 10 per cent of the average daily weight on any route affected. This limitation prevents us from making readjustments sometimes where they should be made, and I think it should be removed and the matter left entirely within the discretion of the Postmaster General as to when he will make these readjustments. Where the average daily weight on a route is very large, a great deal of mail can be diverted without equaling 10 per cent of the weight on any route affected, and it prevents us, as in recent cases, from making readjustments in very meritorious cases. We have asked that this provision be added, to read as follows:

"So much of section 4 of the act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, approved August 24, 1912, as provides that no adjustments can be made unless the diverted mails equal at least 10 per cent of the average daily weight on any of the roads affected is hereby repealed."

That would remove the difficulty.

Mr. MADDEX. Would that be advantageous or disadvantageous to the Treasury of the United States?

Mr. STEWART. It might result in paying more money, or it might result in paying less money, but the idea is to do entire justice to the carriers. That was the theory on which the law was first based, that where after a weighing is had large amounts of mail are diverted from one carrier to another, or the new carrier should not be required to carry that mail for four years for nothing, and the old carrier get the pay for not carrying it.

Mr. COX. Why divert it? Under what cases or emergencies do you divert mail?

Mr. STEWART. A diversion may occur where a railroad takes off a train or changes its schedules. It is necessary to get the mails through on the quickest time, and it is customary to divert them in those cases, if the company will not maintain schedules or continue their train service, and the purpose of having this provision passed in the first instance was to do entire justice to not only the Government but to the carriers, and not allow a company to break its schedules or take its trains off after they get a contract and keep the pay for four years.

Section 4 of the original bill, 3 of the bill as amended, is the one that provides the requirements of bonds from the



assistant postmasters to the postmasters, and it also seeks to change the law on the subject of the Executive order appointing assistant postmasters for life.

Mr. HULINGS. Mr. Chairman, will the gentleman yield?

Mr. MOON. Certainly.

Mr. HULINGS. What is the design of that? What is the purpose of requiring an assistant postmaster to give two bonds, one to the Government and the other to the postmaster to whom he is assistant?

Mr. MOON. I will explain that when I discuss it. That is in the discretion of the Postmaster General. I want to say, Mr. Chairman, that in view of the fact that this measure is strictly a business proposition, from beginning to end, unless it be this particular section which by some of my friends is regarded as political in its nature rather than strictly administrative, with the consent of the committee I shall pass over the discussion of this section until I have completed a brief explanation of the other features of this bill. So, passing from that section, I take up the next one, which provides simply that first, second, and third class postmasters shall have annual salaries, graded in even hundreds of dollars and payable in quarterly installments. That needs no explanation.

Section 5 of the amended bill provides:

SEC. 5. That hereafter the Postmaster General may establish, under such rules and regulations as he may prescribe, one or more branch offices, nonaccounting offices, or stations of any post office for the transaction of such postal business as may be required for the convenience of the public, and all laws in conflict herewith are repealed.

That is a provision in the interest of economic administration and efficiency in the office, is purely administrative, and need not be discussed, I think.

The next section is one that provides for the establishment of a guaranty fund by assessments of the employees of the department to protect the Government on bonds where the officials are required to execute them, to indemnify the Government against loss. Inasmuch as this section and one or two others are incorporated in the bill known as H. R. 12928, which is upon the calendar, the committee thought it best not to present it as a separate issue in this bill.

Section 7 of the amended bill provides:

SEC. 7. That if any person shall hereafter perform any service for any contractor or subcontractor in carrying the mail, he shall, upon filing in the department his contract for such service and satisfactory evidence of its performance, thereafter have a lien on any money due such contractor or subcontractor for such service to the amount of same; and if such contractor or subcontractor shall fail to pay the party or parties who have performed service as aforesaid the amount due for such service within two months after the expiration of the month in which such service shall have been performed the Postmaster General may cause the amount due to be paid said party or parties and charged to the contractor: *Provided*, That such payment shall not in any case exceed the rate of pay per annum of the contractor or subcontractor.

This is to prevent contractors from defeating the collection of the money due to the subcontractor for the actual performance of the service to the Government. In other words, it is a protection to the subcontractor against the fraud of the contractor in these contracts with the Government.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. MOON. Yes.

Mr. McKELLAR. The gentleman seems to have overlooked section 6 of the amended bill, being section 8 of the bill as originally introduced, at the bottom of page 5.

Mr. MOON. Yes.

Mr. McKELLAR. Will the gentleman explain that?

Mr. MOON. I am glad that the gentleman has called my attention to that matter. The "blue-tag law" is a term used in the department to designate a certain character of mail which the department is enabled to expedite in a reasonable way by fast freight. There is a section in a previous bill that provides that the scope shall not be extended. It is now operating in the second and third mail divisions of the United States. The mails are expedited by fast freight. The magazines published throughout the country are delivered in the time required by law, delivered as readily, so far as the benefits may arise from their use, as by the ordinary mail. The Government of the United States has been saving over a million and a half dollars per annum by the use of the freight where they can use it with expedition for the transportation of mails. The purpose of this section is to repeal the inhibition on the exercise of that power in the other two mail divisions of the United States where similar beneficial results will unquestionably come from that economy.

The eighth section of the amended bill is along the line already discussed. The ninth section provides a penalty against the injury and destruction against letter boxes and other receptacles for the mail of the United States. It is hardly necessary to discuss before this House the wisdom of the enactment of laws to protect this class of public property. These are purely

administrative features, of which there ought to be no doubt about their enactment.

Mr. McKELLAR. Are there not provisions of the law now with reference to this matter?

Mr. MOON. Yes; but they are not complete.

Mr. McKELLAR. And this is an amendment which makes the provision more full and complete?

Mr. MOON. Yes. Mr. Chairman, section 10 of the amended bill provides:

That all persons honorably discharged from the military or naval service in the Civil War, either in the Federal or Confederate Army, shall be exempt from any age limitation in the selection of fourth-class postmasters, provided they are found to possess the business capacity necessary for a proper discharge of the duties of such office.

Under a rule—not a law and perhaps not a fixed regulation, but a rule of the department—there is an age limit fixed for the occupants of fourth-class offices. The committee were of opinion that this rule ought not to prevail in all instances. They have thought that it was not an improper thing or an unwise thing to do to permit the soldier, either Federal or Confederate, who otherwise was competent and fit for the performance of these services to be appointed regardless of any age limit.

Mr. GOULDEN. Will the gentleman yield?

Mr. MOON. Yes.

Mr. GOULDEN. It is not intended to have any civil-service examination for them?

Mr. MOON. Oh, yes; it is intended to have it under the civil service the same as others are; the only thing is that we do away with the age limit. They must take the examination and be otherwise qualified.

Mr. GOULDEN. What is the age limit?

Mr. MOON. Sixty-five years, I believe. Now, Mr. Chairman, 65 years being the limit, nearly every man who served in either army is excluded by law or regulation from holding one of these offices—offices that pay less than \$1,000 per annum. Now, it is evident to every one of us that there are scattered throughout the country men of sufficient capacity and energy to perform faithfully these duties who are past the age of 65.

Mr. SPARKMAN. Will the gentleman yield?

Mr. MOON. Yes.

Mr. SPARKMAN. Is it intended by the words "business capacity" that it should also cover physical ability to perform the services?

Mr. MOON. Of course. If the man did not have the physical ability he would not have the capacity.

Mr. SPARKMAN. I wanted to get the information, for a man might have the capacity but not the physical ability.

Mr. KENNEDY of Iowa. Will the gentleman yield?

Mr. MOON. Yes.

Mr. KENNEDY of Iowa. Have not most of the civil-service examinations for fourth-class postmasters been held in most of the States?

Mr. MOON. I think not. They have in many of them.

Mr. KENNEDY of Iowa. They began alphabetically and reached Iowa in May.

Mr. MOON. Yes; and some of these days we hope to begin alphabetically and go through Iowa again. [Laughter.] Mr. Chairman, I appreciate the fact and force of the argument that some gentlemen have urged against this section—that it is a preferential distinction; that if the limit of 65 years should be applied to soldiers of either army it might with equal propriety and justice be applied to the common citizen who was not in the army.

Now, I want to meet that fairly. I have not the slightest objection to an amendment to this section which provides that the age limit shall not be considered in the selection of any of these offices, whether they were men in the Army or not in the Army. But there is always some sentiment in reference to questions of this sort. There is some sort of feeling, we do not know what it is, whether it is a martial spirit in the people, a spirit of patriotism or whatever it is, but there is always a tenderness of feeling for the men who have defended the flag of the Republic and for men who have stood in battle array against the flag of the Republic for a cause which they believed to be just.

I have no morbid sentimentality on this question. I am not here to congratulate you or this country upon the splendid results that flowed from the Union of the States finally. I look at that question not so sentimentally as practically. Here are men who were engaged in a sectional war. That war is ended. These sections are reunited. If there is any reason why those engaged upon one side or the other should not have a preferential distinction in this matter I do not know. I concede the force of the argument that possibly none of them are entitled to more distinction than the other citizens, but following the suggestion that these men who lost practically four years



of their lives in a war should have a little better chance than the others, we submit this amendment to this House confident that it will approve it, because it ought to be regarded as a just tribute to the valor of the men in the Union Army and in the Confederate Army, the fast fading remnant of the two greatest armies that were ever marshaled on this continent in the most heroic age of this great Republic. [Applause.]

Mr. COX. Will the gentleman yield?

Mr. MOON. I will yield.

Mr. COX. Under the new order by the President in regard to the fourth-class post offices the order required, where the salary of the office was \$180 or less, that they simply be selected by the post-office inspector.

Mr. MOON. Yes; that is the rule.

Mr. COX. Now, these old soldiers, even though they may not be able to stand a written competitive examination, yet are able to fill these offices where the salaries are less than \$180, and it will help them considerably.

Mr. MOON. And they are able to stand the examination, no doubt, where the amount is above that.

Mr. COX. They might; let them have it.

Mr. GOODWIN of Arkansas and Mr. MURDOCK rose.

The CHAIRMAN. To whom does the gentleman from Tennessee yield?

Mr. MOON. I yield to the gentleman from Arkansas.

Mr. GOODWIN of Arkansas. In many places throughout the country examinations were held and many men who had reached and passed the age of 65, by virtue of the order, had to relinquish their office, and by virtue of that order many men younger in years have succeeded them. This provision of the proposed law as set forth in the bill will not reinstate those who have been compelled to relinquish their office.

Mr. MOON. I should think not.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. ALEXANDER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4966. An act proposing an amendment to section 19 of the Federal reserve act relating to reserves, and for other purposes.

The message also announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 7967. An act to amend the act approved June 25, 1910, authorizing a postal savings system; and

H. R. 15613. An act to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. ADAMSON. Mr. Speaker, I would like to test the sense of the House as to the disposition of the trade commission bill in reference to going to conference now, or would gentlemen prefer to have it printed?

Mr. MANN. It ought to be printed first.

Mr. ADAMSON. If that is the desire of the House, I ask unanimous consent that it be printed for Members, and I will call it up to-morrow. I will ask that it lie on the Speaker's desk until to-morrow.

The SPEAKER pro tempore. Without objection, it will be so ordered.

There was no objection.

#### POSTAL AND CIVIL-SERVICE LAWS.

The committee resumed its sitting.

Mr. MURDOCK. Mr. Chairman, I desire to ask the gentleman this question.

Mr. MOON. I will yield to the gentleman from Kansas.

Mr. MURDOCK. I understood the gentleman to say he would not object to an amendment or oppose an amendment which would take this limitation off so far as everybody was concerned.

Mr. MOON. No. While I would be very much pleased to see this preference given to soldiers, and I think we should give them preference, I am not usually given to showing preferences to anybody. I do not object if the House desires to take the age limit off so as to apply to everybody.

Mr. MURDOCK. I assume from the statement of the gentleman that he thinks that there are many men between 65 and 70, or even beyond 70, who would make competent postmasters.

Mr. MOON. Who would make splendid postmasters; perhaps better than men who are more active. Mr. Chairman, sections 11 and 12 are in reference to postal savings banks, providing for the limit of amount that may be deposited in those banks and the limit of the amount of interest that may be paid upon such deposit and some other provisions amendatory of that act. It is deemed best we should enact this sec-

tion, but I shall not discuss it now. I shall wait until the five-minute rule to consider it, if it becomes necessary, in view of the fact that the substance of this section was embodied in another act which I introduced and the House passed and which the Senate yesterday passed with amendments and which we hope to-day to place in conference. The thirteenth section of this bill is one on the subject of railway mail pay. It is a very complete section, in my opinion, covering this question heretofore so very intricate and hard of solution. I want to say to the committee that many of the other sections of this bill are the suggestions of members of the Committee on the Post Office and Post Roads, but this particular section is the suggestion of the Post Office Department. It is peculiarly their section to this bill. The amendments which I sent to the desk to be read and to be incorporated in the Record are amendments to this particular section of the bill. We do not realize always just how powerful and how important an organization of the department of Government is the Post Office Department, nor do we apprehend, and those who have not given some attention to the study of the peculiar features of that business department do not understand readily the relation that one branch of this service bears to another and how all must be lifted up, all must be energized, all must be pressed forward to make one complete whole and give an efficient service, an economical service of that great department of the people of the United States.

The commercial people of the country desire that this Government shall reach 1-cent letter postage. It would seem that 2 cents is cheap enough to carry a letter across the continent now, but there was a time when there was very much more charged than 2 cents, and the time has perhaps come in the history of the postal affairs of this country when 1 cent letter postage is perhaps due to the people of the United States, provided those other conditions that affect it so seriously may be remedied, so as to enable us to reach that ultimate conclusion. Now, there is no use of any of us attempting to right about face for political or other purposes on any questions that are involved in the ultimate efficiency of the service of this great department. We must know and understand, to begin with, that we have to batter down in this House, first, the power and the control of the transportation companies and methods that they have of handling the revenues through the legal system enacted and in force now by the department. We have to understand, too, that standing in front of the Congress is the most powerful agency in all the Republic; that we shall have to declare a war against the ridiculously low rates at which second-class matter—great daily newspapers and great magazines—are carried in this country, every pound of which is carried at a loss to your Government of 5 cents per pound, and these pounds run into the hundreds of millions yearly, and are increasing rapidly all the time. We must understand that we have to confront here two of the greatest subsidies covered by legislation in the history of the Union.

You must state whether you are going to stand for the people or whether you are going to stand for a continuation of these untoward events against the interests and welfare of the masses. We expect to establish by this section, with the concurrence of the House and Senate, a system by which the railroad companies will be given just, complete, and adequate compensation for their service and the Government protected against an advance of more than \$1,000,000 annually in the performance of this service. And when we are through with it we expect to present to this House a measure that will not only do justice and fairness to the newspapers and magazines of this country, but deal fairly with the people by making the rate upon second-class matter, at least, as high again as it is now on magazines. When you shall have accomplished these two purposes you will be able to go to 1-cent letter postage for the people and still maintain a surplus from the revenues of the Post Office Department. To attempt it until this is done and the other economies asked for in this bill are permitted means a loss of \$75,000,000 of revenues to the people of the United States. These suggestions are but preliminary to the detailed discussion of this section.

In order that you may more clearly see just what this contention is, that you may realize the justice of the demands of this committee and the department in behalf of this Government, it was essential that I show you in some measure the fight, the amazing fight and contest, that is waged upon this section. But before I shall take up that feature of it, trying to wipe away from your vision, if I can, the cobwebs in the way of a clear sight of this provision of the law, I desire to pay my tender regards and my profound respect to the distinguished ex-Senator, Mr. Bourne, from the State of Oregon. And I am not going to express any unkind feeling toward him. He seems to be the leader in the opposition to this measure. On the



contrary, I desire to express to this House my profound respect for the ex-Senator, giving due weight to those peculiarities and eccentricities of that character of genius that so often adorns the Senate of the United States. You will remember that the Senator has sent forth to the country a protest against this bill. He has said, and I may place it in the Record here—and I can place a dozen or 40 items in the Record from the newspapers that are now lying on my table, if necessary—extracts from papers, interviews with him, statements by the chairman of the railway pay committee, pressing the claims of the railroads against the interests of the people.

First, before taking up the railroad contention upon the question, I want to say that Senator Bourne, I think, has acted very indiscreetly in denouncing the Post Office Department as desiring to practice fraud and injustice on the railroad companies. I think it is rather indiscreet in the distinguished gentleman to say that this committee, and he says particularly the chairman of this committee, proposes a bill that is neither fair nor just, and that they know it. What is the meaning of charges like these? Why, sir, they are really charges of dishonest official action—that is all—couched in proper language, and that we want to do the railroad companies some wrong. I think the time is passed, if it ever existed, when any man of sufficient capacity to sit upon this floor desired to do the railroad companies or anybody else any injustice in legislation. We may be overweening in our zeal to protect the Treasury of our country, but there is no man here that is willing to do an injustice to the great corporations of this country or to any citizen of it. We know, we have long since come to realize, that these great arteries of commerce that bear our mails from one end of the country to the other, are beneficent institutions if properly conducted. We know that they are a great blessing to the people in the matter of transportation; that without them our civilization could not have been what it is, and could not advance. We know that, and therefore we have no unkindly feeling, but rather one desiring to protect, foster, and encourage them.

But we must not forget that a corporation is but a legal artificial entity, created for the welfare and promotion of the people's interest; that every citizen, as well as this Government, has a profound interest in all these transportation companies. We only want to see to it that justice is done them, that fair compensation is given for what they do for us, that their property can not under the terms of the Federal Constitution be confiscated by the lowering of rates beyond the point of compensation. We all know that. We all feel that interest, and this committee has approached this great question of determining the legitimate and proper pay for them with those views before them. The railroad companies often forget that they are not organized for the purpose peculiarly of obtaining revenue, accretion from their stock by way of interest, salaries, and otherwise; they forget that they exercise a part of the sovereignty of the great Commonwealths that give them political existence; they forget that the private citizen is powerless to prevent them from moving forward lines of railway, not only through his private property, not only the streets, if they desire of the great cities, but they can invade even the sacred cities of the dead and plant their tracks there without consultation with the common people in the exercise of the right of eminent domain under the Constitution and the laws. Shall we not, then, against an agency, a public-service corporation, exercise that right which we have to exercise, legitimately and honestly? Then, why should the distinguished Senator undertake to prejudice this House against the committee assuming the exercise of this power? He has said that you do not give them high enough rates. That is a legitimate statement. But when he impugns the motive of the committee he does himself an injustice. Now, let me just for a moment review some facts in connection with this matter, to show how unfortunate a man may be when in his zeal and ardor to serve his friends he makes charges of bad faith and the want of patriotism against others. Let us look at the Senator's case—and he is the man who is making the fight for the railroads here. There is no use discussing these propositions of the roads as such because they come through him. How did Senator Bourne have anything to do with this matter? Why should we wait for the commission to report before the passage of this act? Those are the main features of the contention as against present action.

There have been several post-office commissions appointed to determine the rates of railway mail pay. Two years ago the Congress created a commission, or rather a joint committee of the two Houses, for that purpose. The direction of the act of Congress was that the chairman of the Committee on Post Offices and Post Roads of the Senate should appoint three Members of the Senate as members of that joint committee; that the chairman of the Committee on the Post Office and Post

Roads in the House should appoint three; and that that joint committee should report by December, 1913.

Well, what was the first step taken? In the House it was my pleasure, as chairman of that committee, to appoint Hon. JAMES T. LLOYD, Hon. WILLIAM E. TUTTLE, JR., and Hon. JOHN W. WEEKS. The Senator appointed himself and two other Members of the Senate. They went to work on that commission. They worked faithfully, but did not complete the service. Congress extended the time to next December. It continued the personnel of that commission, and although Senator Bourne had gone out of the Senate, he remained the chairman of that joint committee.

Look at his action in the matter. Look at the examination of the witnesses. I venture to say that it will not be denied by any intelligent man that any question that he sought to ask or did ask seems to have been asked as the counsel of the railroad companies. On the other hand, the gentlemen from the House, Mr. LLOYD and Mr. TUTTLE and Mr. WEEKS, asked questions that were fair and just, seeking the real facts in the interest of the roads and of the people. And I want to commend here the splendid service of these gentlemen on that committee. Intelligent, able, capable, they have reached conclusions that are eminently fair and just, and the difference between them and the committee to-day is almost insignificant.

But, to go back to the Senator. He now places himself upon the committee, acting practically as counsel for the roads, retaining himself there without compensation, as he had gone out of the Senate; failing to make a report when a report was ordered to be made by the committee last May, though called upon for a report again and again; insisting in the last three or four weeks that he would have one ready in two weeks, and still he is not ready. Look into the further fact that the distinguished Senator has appeared before the country as if he were the leading counsel for the railroad companies and before the press of the country. Look at the fact that a bureau has been established here for the purpose of creating prejudice against the department in behalf of the railroads. Look into the fact that his secretary, a boy of twenty-odd years, has entered the press of the country in the discussion of this question against the department.

What, in view of all these circumstances, what should I say as to the value of a report made by him if it were left to him alone? Fortunately, it is not. But if he made it, what would be the value of his report to an unprejudiced Congress? Do not these facts and circumstances put the Senator in a very bad attitude?

Mr. LLOYD. Mr. Chairman, may I interrupt the gentleman there?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Missouri?

Mr. MOON. Yes.

Mr. LLOYD. May I interrupt the gentleman to inquire whether any statement or discussion has been made by Mr. TUTTLE and myself, the two remaining House members of that commission, in any way reflecting upon the Post Office Department or upon the Post Office Committee of the House?

Mr. MOON. No. On the contrary, the two distinguished gentlemen have acted in cooperation with the department in the utmost good faith and with the utmost intelligence and capacity, and have been of benefit to the committee. Never would I intimate that there has been anything wrong with them. [Applause.]

Now, are not the circumstances strongly against him? And yet I am not here intending to say that Senator Bourne is acting in this matter from the desire to aid the railroads and prevent the department from obtaining that which would be just. I am not here to criticize him on those lines. These are simply unfortunate circumstances under which he has fallen. I am sorry that it is so, because they look ugly, that a man should be so profoundly interested, without any compensation whatever, and should take such apparent advantages against the department and the committee in the interest of the railroad companies. It does not look well. But I hope I have not lost all charity. I know the Senator. I know that his zeal and—if I may say it with the utmost respect for him, because I am very fond of him—the inordinate egotism of my friend is such that he could not agree with anybody else or perform any service at any time if for any reason he thought it best not to do so. I am not going to apologize for the existence of these circumstances. You can give them any construction you want to. I am charitable enough to the Senator to say that I do not believe he wants to do any injustice to the railroads or to the Government, but he has put himself inadvertently in the way of the department and in the way of the law to secure the benefits and rights of the people of the United States.



But, sir, I must not dwell too long on this question. Here are a vast number of assaults upon the committee by the railway employees and others, some of which I will ask permission to use and some of which I care nothing about.

Mr. MURDOCK. Mr. Chairman, before the gentleman leaves the subject I would like to ask him to correct me if I need correction on this point: The gentleman from Tennessee introduced the original bill as to rates of space. He has now introduced amendments to raise those rates for space?

Mr. MOON. Yes.

Mr. MURDOCK. My understanding was that the amendments to the original bill by the gentleman from Tennessee now make the rates about what the commission was to report.

Mr. MOON. I am going to get at that directly.

Mr. MURDOCK. Very well. I wanted to be sure.

Mr. MOON. Now, Mr. Chairman, this much for the brush that has been thrown in the way. If you will bear with me I will discuss the general scope of this section. I will then give to the Record those tables that have been prepared in explanation of the rates. I shall not attempt to discuss the tables, because that would take too much of my time. I shall also present for the Record the detailed discussion of the various features of this section. But I always find that I can get at this House better by saying what I desire to say rather than read any detailed statements with reference to any section, and therefore, if I can have your attention, gentlemen, I want to discuss in a general way the features of this particular section.

As I remarked, I shall content myself with a general discussion of the scope of the section, and those detailed features and minute features of it I will ask to put in the Record. To understand the law that you propose to enact and the effect of that law upon the system on which it is intended to operate, to determine whether in its ultimate operation it will be prejudicial or beneficial to the public interest, we must in a measure understand the law that we seek to repeal, alter, or amend. Therefore it is well that we call into consideration the laws that have been enacted on the subject of railway mail pay.

The first act that was passed, under which we now pay the railroads of the United States, was passed in 1873. It has been in operation, with some modifications, from that period to this time. You will find from one of the tables which I have here that in round numbers the pay for the transportation of mail by railroad routes in the United States under the first weighing provided for under the act of 1873 amounted to about \$7,800,000. There has been a gradual increase, due, of course, very largely, though not altogether, to the increase in the service. Gradually the pay has risen, until the Post Office appropriation bill for the fiscal year 1915 carries about \$61,600,000, as against \$7,800,000 in 1873. But that is not material if the service has been performed for the people, because we must pay for the service which is performed, and it is proper that we pay just compensation for it.

Now, let us see if we clearly understand that law of 1873. It is provided that under regulations by the department the mails of the United States shall be weighed quadrennially, and that compensation shall, in each weighing division, be based for the four subsequent years upon that first annual weighing. The weighing under the regulations occurs sometimes during 35 days, sometimes during 105 days, and sometimes perhaps longer. The result of that weighing is that the railroad companies are paid certain amounts per ton per mile for carrying the mails, and I will place in the Record a table showing the exact rates for the whole service. I need not pause to discuss those rates.

Every four years, therefore, the mail has been weighed in one of the sections of the country. For instance, it is weighed in the western section this year, the pay for the western section for the next three years is based upon the pay this year in that section, and so on in the other four sections for the full four years. I am not charging any fraud upon the railroad companies, though it has been frequently charged, because I do not make charges without having proof; but we can not fail to see the opportunity for fraud existing under that law. For instance, if the mails are being weighed in the southern section, to form the basis upon which the pay is to be computed for four years, it would be very easy to divert the mails to and from the West, and carry them around through the South and weigh them upon every railroad in the southern section day in and day out, and that would form the basis of pay. But I do not assume that anything of that sort has been done. It may have been done. It is an error, however, in legislation to permit the possibility of the perpetration of fraud of that character. And again, when actually weighed, if fraud was desired to be perpetrated, all that would be necessary would be for the transportation companies to stand in collusion with one man in the Post Office Department or with one man upon the route that was being weighed.

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. MOON. I will yield.

Mr. GOODWIN of Arkansas. Would it not be better to weigh the mail simultaneously in all sections of the country, so that there could be no diversion?

Mr. MOON. That would possibly avoid any diversion, but when the gentleman understands that it would take several million dollars to do that, he will find that it would be a very unbusinesslike proposition.

Now, Mr. Chairman, you will observe by a further statement of the law that the policy which has been pursued is not only unscientific but utterly inaccurate. It can not form a legitimate basis for compensation or remuneration to the railroad companies upon the one hand, nor can it result in a proper disposition of revenues for that purpose by the Government upon the other hand. It needs a radical change. When you examine the table which I will place in the Record showing a gradual increase of railway mail pay by leaps and bounds, sometimes by one, two, and three million dollars per annum, you will appreciate at once the effect of the adoption of a system that will put an end to this uncertainty, that will fix a just basis of compensation upon which the rights of the Government and the rights of the railroad companies may be accurately determined.

You see the present effect of this policy. The question was once asked of a Postmaster General whether it was possible under the present system of computation of pay for him as head of this great department to come within \$10,000,000, not of what was paid, because we all know that, but of what would be the legitimate compensation of the railroad companies for the transportation of these mails, and he answered that it could not be done. It was a knowledge of those facts that brought about the present attempt to correct those conditions. Ought there to be any politics in a proposition that brings about a change from uncertainty to certainty, a change that will bring accuracy instead of confusion, a change based upon intelligent lines of thought, as against a policy subversive of the rights of the Government by a possible perpetration of fraud on the part of those connected with the service?

For your detailed information I present also for the Record a full and detailed statement of this alleged revolutionary change in the service of this department.

Let me call your attention to the fact that we dispense with the weighing process. We avoid the weighing of the mails hereafter. We avoid the uncertainty of computation of pay. We avoid all errors that have been pointed out under the present system by paying for the space that the Government occupies. The joint commission of which my friend the gentleman from Missouri [Mr. LLOYD] and the gentleman from New Jersey [Mr. TUTTLE] are members, have considered this question, and these gentlemen fully approve of the main features and plans of this bill. The Committee on the Post Office and Post Roads have had the benefit of the services of that commission and the knowledge of its work. They have had it through the Post Office Department, which was cooperating with that commission all along, and they have reached the conclusion that the Government of the United States should depart from the system of railway mail pay now in vogue—and I speak now of certain amendments to the bill—and that we should pay for a full apartment car, 60 feet long on the inside, 21 cents per mile for every mile that that car runs in the United States carrying mail, and 21 cents for every mile that it runs after it has carried the mail, when it is going back empty.

Keep these figures in your heads. There are two other standards fixed that vary somewhat from the present standards, one is the 30-foot compartment car. For that we propose to pay 10½ cents per mile for every mile that that car runs every day in the year. For the 15-foot car we propose to pay 5½ cents a mile. In addition we are paying fixed terminal charges and fixed initial charges. I will place in the Record the exact figures.

I should have said that we propose to pay 20 cents, too, for storage car, and the difference between that and the other is that it does not have to be heated or lighted or supplied with water.

On the pouch mail we are proposing to pay fixed prices for carrying each pouch. Now, that mail goes upon cars that have no full apartment cars, no portion of an apartment car, but may go in a baggage car.

Mr. LLOYD. Will the gentleman yield?

Mr. MOON. Yes.

Mr. LLOYD. Is not the gentleman mistaken about the provision of the bill at that point? In this bill it is proposed to pay for weight somewhat like the present system for pouch mail.

Mr. MOON. Yes; at a fixed figure.

Mr. LLOYD. I thought the gentleman said it was paid by the pouch.



Mr. MOON. Oh, no; by the pound, of course. Now, this mail carried in the closed pouch, every pound of which we pay for at the rate fixed, may go in an express car or be put anywhere in the baggage car and thrown off. Those are the features of difference between the old and the new system.

You ask me why it is we fix 21 cents for the line. The answer is that the experts of the department, the commission, the Interstate Commerce Commission, make this rate comparable to passenger rates. The passenger rates are about 24½ cents—I am not giving the exact fractional figures—for carrying passengers. In other words, they say the railroads in the United States can carry passengers at that rate per mile, 24½ cents. That includes not only the moving of the train, but the water and the lights, the interest upon its legitimate bonded indebtedness, and all of the overhead charges. Everything is computed to reach the rates by which passengers may be carried per car per mile.

Now, is it not wise, is it not legitimate, is it not fair, as the commission contends, that when other classes of matter—if I may so designate passengers—is carried, that it must be with the view to the particular service performed by the railroads in a particular instance? For instance, if you were to carry dead matter, as you do in a storage car, it ought to be less than where you have a full compartment car in which there must be working space for the agent of the Government at work in the car.

Coming back to the question fixed by the commission that fix it at 24½ cents, the statisticians say that in handling the mail there ought to be a reduction from that rate of 2 or 2½ per cent. Therefore that would bring it down to about 22 cents.

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. MOON. I will.

Mr. SELDOMRIDGE. The gentleman is making a very interesting statement in reference to the cost of the passenger service and the Mail Service. Is his statement made in view of the declaration of the Interstate Commerce Commission that the railroads are not deriving sufficient revenue from passenger traffic and that a raise in the rates of passenger fares would be justified?

Mr. MOON. The recent report of the Interstate Commerce Commission reduced the rate nearly one-half of 1 per cent.

Mr. LLOYD. If the gentleman from Tennessee will pardon me, I think the gentleman from Colorado is mistaken with reference to the Interstate Commerce Commission having made any such statement. The statement was made by Mr. Brandeis, who is attorney for the Interstate Commerce Commission.

Mr. MOON. That is true, and I forgot to say that Mr. Brandeis never had any information on this question. If so, he never has exhibited it. Now I must proceed. Mr. Chairman, in view of the fact that 24.96 is regarded as compensatory to the railroad company, including its charges of every character, and in view of the fact that the mail service does not cost like the passenger service, because you have none of these liabilities incident to it—you do not have a conductor and a brakeman and officials to control that particular car, because the mail car is controlled and the mail is managed in the car by the servant of the Government. Now, 24 per cent deducted from 24 per cent leaves 22 per cent. This bill provides for a line charge of 21 cents, and there is added to it the terminal charges, the initial charges, and then you have the figure that is a fraction higher than the Interstate Commerce Commission says is just and legitimate compensation.

Take this bill in the concrete, and let us see how it would operate. You will find—and I will furnish you a table giving the details of the service—that this very bill under consideration to-day, if it were put into effect now, would give to the railroad companies of the United States about \$587,000 per annum more money than they get under the provisions of the appropriation bill which passed and became a law on the 9th of March for the fiscal year 1915. How can it be said that it is unfair when for a single year this very measure will give them more than half a million dollars of money more than they are getting now for the service?

But you ask me if that is true, that we are giving to the railroad companies now half a million dollars more under the new plan for this year than they get under the general appropriation bill for a similar service, of what benefit is this bill to the public? It is a benefit in this, that under this plan the Post Office Department can so handle its mail, so load it and prepare it for transportation, so conduct the transportation of the mails, as to recoup in these economies the difference in a single year.

Then, while the Government of the United States will under this bill have to pay for about 265,000,000 miles of travel by one car in this service—for many millions of it the car will be empty—they can so adjust in the administration of affairs the handling of the mails as to perfect that economy in admin-

istration that will more than overcome the difference I favor of the railroad companies under this bill. Then, if the railroad companies are getting all that they are entitled to as compensation, and we are getting a definite and a fixed system by which we can determine daily the liabilities of our Government, is not the condition better? Ah, but why do the railroads fight it so? When we have once established this system, when we have determined upon the service required, the law fixing the compensation, it remains the same.

It is not subject to that varying and changing condition that is brought about by a quadrennial weighing of the mails and a guess for the other three years upon the method of computation. How can it be that in these years that have passed since the act of 1873 the enormous sum of sixty-odd millions of money is reached in transportation, some years leaping one, two, three, and four millions of money? It could not be upon a system accurate as this is, and I congratulate my friends of the House here who were upon that commission, and I am proud of them, because I appointed them upon that commission; and I am proud of their service. The minor differences that may be between us as to the language of the law being carried as heretofore or changed in some respects amounts to but little, and the little variation in the amount of the divisional compartment cars amounts to but little. It is one of safety to this country in the handling of mails.

But to go back to the consideration of the question as to why the roads oppose it, it will hereafter be impossible for this service to increase one, two, three, and four millions a year without the people knowing exactly what the service is for. We know the number of cars they use, we know the number of miles they travel, we know the compensation, we know the cars that are storage cars and the cars that are full apartment and quarter and half compartment, and we know the value of the closed-coach service, and those are all the elements that enter into it, in the main.

Mr. Chairman, the railroad companies at first complained that they had not been heard. Why, the most ample hearings possible have been given before this commission, before the department, before the committee at various times. They want the uncertainty to continue, because they will benefit by it; and, mark you, if you adopt the policy suggested by these gentlemen and approved by the department and by the committee, you will put an end to that vast increase in railway mail pay that occurs annually, and you will get certainty in your service. But the roads say that it is not fair to them; that they have already lost an immense amount of money. Some of them say that they have lost \$15,000,000 under the present policy. They might just as well have said \$50,000,000, because one figure is as close to the truth as the other. The truth is that they have been overpaid. I call your attention to the substance of Document 105 and to the statements of the Postmaster General, at page 997 of the report of the hearings before the joint committee that had this matter under consideration. I point you to all of the evidence, and I would be glad if I had the time to pick it up and review it, to show that, at the very lowest figure, they have been overpaid even for the last fiscal year a half million of money. If you continue this old plan, you may confidently expect that in 20 years from to-day for this service, with a little increase in facilities, you will be paying \$100,000,000 instead of \$60,000,000. Adopt this new plan and you will hold the service down practically to the same figure every year, and you will know exactly what you are doing, and you will know what you are getting and paying for, and you will pay for all you get, and if you need additional service all you have to do is to demand it and pay for it in accordance with the law.

I have no patience with the suggestion that this Congress has not the power to require under penalties the moving of the mails of the United States over every mail route in the Union. This is the only civilized Government in the world that has not upon its statute books to-day a law that forces the carrying of the mails over these routes, whether the carriers want to carry them or not. It is a power and a function of government that can not be abdicated. There is but one limitation upon it in any government, surely but one under a constitutional government, and that is that the compensation to be fixed by the legislative body in its discretion shall not be confiscatory, but must be compensatory. I have attempted to demonstrate to you that this is not confiscatory, that it is liberal in its compensation, by a comparison between similar service rendered and the pay for it and that which we are demanding. You will find also in an explanation of this question which I have prepared in detail here another table, the comparative rates for the transportation of mail matter and express matter. You will find that if the express companies had been carrying the mails of the United States during the last fiscal year the compensation to the express companies for that service would have been



several million dollars less than the compensation that has been paid to the railroad companies. True, there is a difference in the character of the service. There is a marked difference in some respects, but upon a summary of the whole, and the facilities of transportation, the benefits to be derived from the service are in favor of the Government mail, so far as yielding an accretion to the carrier is concerned, as against the carriage of express.

I do not know how long I have been talking. There is a whole lot here to talk about, but I must close it up and let some other gentlemen discuss these questions.

Mr. MURDOCK. Mr. Chairman, before the gentleman closes, will he yield for a question?

Mr. MOON. Certainly.

Mr. MURDOCK. Is there an estimate anywhere that shows what the expenditure will be the first year under this bill as amended?

Mr. MOON. Yes.

Mr. MURDOCK. What is the total?

Mr. MOON. Does the gentleman mean what the cost of the service will be?

Mr. MURDOCK. Yes; the cost of the entire service under this bill.

Mr. MOON. I think it is about \$62,000,000.

Mr. MURDOCK. I would like to ask the gentleman this, and then I am through. In his first bill the rates were carried at certain sums, and in the amendments which he has offered they have been increased.

Mr. MOON. Yes.

Mr. MURDOCK. In one instance it is 1 cent, and in another instance it is a half a cent, and in another another rate. In the case of the storage cars it is 2 cents. I understand that the gentleman's increase from the first increase to the second increase involves an increased total expenditure of about \$3,000,000. Is that correct?

Mr. MOON. Yes.

Mr. MURDOCK. How does the gentleman arrive at that increase over the original bill?

Mr. MOON. Over the original bill? It is really more in the spirit of compromise with the committee and the department than anything else. The amount involved we regarded as probably negligible as compared with the splendor of the service to be obtained hereafter. The gentleman understands that the change of even a half a cent involves millions of money.

Mr. MURDOCK. I know it does. Does the gentleman in his latter figures approximate what the commission was to report?

Mr. MOON. We have a table here showing what the commission would probably report, as gathered from the Gazette by the department people; but whether that is accurate or not I do not know; but the gentleman will observe that the difference between the commission is about a half a cent in one instance, and a cent in another, and a quarter of a cent in another, and there is some difference in the initial and terminal charges, and, then, the commission provides for space for the pouch, and we do not, and that saves us in favor of our bill about \$1,118,000.

Mr. LLOYD. Will the gentleman permit an interruption?

Mr. MOON. Yes.

Mr. LLOYD. The difference between the commission and the Post Office Committee is 1 cent on the storage-car rate. They fix it at 21, and the committee fixed it at 20.

Mr. MOON. That is in the amendment.

Mr. LLOYD. I am talking about the amendment. On the 30-apartment car we fix the rate at 11 cents, and the committee by its amendment fixes it at ten and a half.

Mr. MOON. That has been already stated.

Mr. MURDOCK. The question I want to get at is the difference between the gentleman's other bill and the commission bill.

Mr. LLOYD. But on the 15-foot apartment car the commission will recommend 6 cents instead of 5½.

Mr. MOON. I think the gentleman will find we have given here—which the department prepared—a table showing the difference between the bill that the committee expected to introduce, or would have introduced on the basis of the speech of the gentleman from Missouri [Mr. LLOYD], and this particular bill, and there is a table here that shows that. There are several million dollars difference, in view of the two bills on that feature, but the main difference grows out of the fact of the difference in the terminal charges and the slight difference of cost in the apartment cars and in the pouch—a million and a half.

Mr. Chairman, I feel like I ought to apologize to the House for so much discussion on this question, and yet the details of this question are immense. I have attempted to show here by these tables and explanatory notes, and the proposition to which I have referred verbally, the position of the committee upon

these questions. I want to emphasize before concluding that there is no difference between this committee and the joint commission that has not yet reported, as I understand, on the policy of the change. Whatever difference exists, exists upon the minute details of compensation for particular characters of service. Those of my friends here are a little higher than we have. Ours is based upon the statement of the statisticians of the department and the practical experience of the department in the handling of this question. Theirs is based upon the statement of the statisticians of the Interstate Commerce Commission, but I apprehend that there is no serious difference or will be in the final outcome upon these particular questions.

Now, Mr. Chairman, this has been purely a business talk with my friends here about this railway mail pay, and I assure you it is a good deal of pain that I experience as I turn from the consideration of the purely business proposition to one that I still think is business in its character, but which my friends on the other side for some reason strange to me regard as political in its nature. I do not think so. I am going to discuss it with you and see if we can not come to some sort of a conclusion about this measure and vote for it as a unit. Now, you do not want to go home and tell the good people of all the great sections of the country you represent that you voted against a bill that will ultimately save millions upon millions of dollars to the Government of the United States and would prevent 1-cent letter postage. You do not want to say that you want to obstruct that beneficent policy by which \$3,500,000 has been, under the legislation and administration of this Government, turned into the general Federal Treasury. You want to say, I hope, that notwithstanding a feature of this bill that you do not like—if you do not like it, I am sorry you do not—but you want to say that notwithstanding it you voted for the whole bill because of the great benefits coming to our country on account of it. Now, if I thought that we would lose the thirteenth section of this bill on account of injecting matter that some people insist should not be in the measure, I would say wipe it out and let us fight out that political question some other way.

But let us see. This committee, as I said before, are not here merely to register the will of the department in this particular bill. We changed the views of the department very much. We have acceded in large measure to the views of the commission because of their superior advantages over ours for information connected with the matter. A spirit of conciliation has existed all along, and I want it to exist in this matter I am going to discuss now. Now, what is it?

Mr. SMAUEL W. SMITH. May I interrupt the gentleman?

Mr. MOON. I will yield to my friend.

Mr. SAMUEL W. SMITH. I have been very much interested in the able speech of our distinguished chairman, and I would like to ask him now if he will not consent to striking out section 3, so we may all get together on this subject of railway mail pay?

Mr. MOON. I am unable to do that of my own motion. This committee controls that. We must leave it to their judgment.

Mr. SAMUEL W. SMITH. Will the gentleman consent later on to make that motion?

Mr. MOON. We will debate that later on. I was about to remark when I was diverted for a moment that this committee does not sit in the room below for the mere purpose of registering the will of the department upon any question. It is our pleasure when we can to comply with the desires of the department for the betterment of the service and the promotion of all legislation that looks to that end. But we have changed in accordance with our views many of the sections of this bill. However, there is one section to which the department does not give its sanction. In other words, the Postmaster General has been charged with acceding to this section in order to pass the railway mail section. The fact is that this section would go through easier if the measure to which my friend from Michigan [Mr. SAMUEL W. SMITH] has just referred was stricken out. I acquit the Postmaster General of all sympathy and favor to this section that I am about to read. The committee takes the full responsibility. It is as follows:

SEC. 3. That hereafter any assistant postmaster who may be required by law or by authority or direction of the Postmaster General to execute a bond to the United States to secure faithful performance of official duty may be required to also execute a bond to the postmaster whose assistant he is for the faithful performance of his duties as such, in the discretion of the Postmaster General; and it shall be the duty of the Postmaster General to require all applicants for assistant postmasters in first and second class post offices, including those now in office who were carried into the service by Executive orders heretofore made, to take a competitive civil-service examination within 90 days, or as soon thereafter as practicable after the passage of this act, under the civil-service law, rules, and regulations, and the Postmaster General shall, under such law, rules, and regulations, appoint all assistant postmasters, and all laws, rules, and regulations in conflict with this act are hereby repealed.

Now, who has any objection to that? I would like to know.



Mr. STAFFORD. All of us on this side and some on your side.

Mr. MOON. I think not. I will show you why you ought not to have any objection if you have. Now, a man who is opposed to that is opposed to it on political grounds purely. He can not be opposed to it on any legitimate civil-service grounds. A man who is opposed to that is a political partisan; that is all. Now, as a Democrat I do not agree with Gen. Burleson; I do not agree with this administration on the question of civil service. I believe in an efficient civil service. I believe in a service under which there will be a tenure, not for life, but a limited term of years, during which the best service may be rendered to the Government. I believe in an examination for that service. But I do not believe under these institutions of ours and in the light of the American Declaration of Independence that it is either right, patriotic, or American to put any man or any set of men in office for life by Executive order. If every office in the United States to-day were filled for life by a Democrat, I would protest in the name of the honor and integrity and glory of my country against the consummation of such a crime against the liberty of the people. [Applause.] I have no objection to Republicans holding office. I would not care, as far as I am concerned, if the powers of Government were so balanced that the executive and the legislative, the two branches of the legislative department, should never at the same time be in the possession of the same political party. There is nothing so far from my views on this question as an attempt to get out of office a Republican postmaster. Of course I would always prefer a Democrat.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. MOON. Certainly.

Mr. COOPER. The gentleman said, and he received applause for the remark, that he as a Democrat would be opposed to having a Democratic President fill all the offices with Democrats by Executive order?

Mr. MOON. Yes.

Mr. COOPER. And "all the offices" would include, of course, judicial, legislative, and every other kind of Government office. Nobody has ever thought of proposing anything of that kind. But does not the gentleman from Tennessee see a vast distinction between a legislator and a clerk whose duty it is simply to receive money and pay it out in accordance with law? What is the difference between a clerk doing such work for the Post Office Department and a clerk doing similar work for a manufacturing corporation?

Mr. MOON. Certainly I see a difference between the different characters of office, but I do not see any office through those eyes that would give a life tenure by law or Executive order to a clerk or anybody else. Take a life-tenure office, and what is the effect? An incumbent may give 15 years of honest, faithful service to his Government. At the end of that time he is incapable of efficient service.

Look at the department to-day, and one-fifth, practically, are unfit for the service they are proposing to perform, and yet are held on as a matter of charity largely until at last forced to be dropped off the list in order that the work may be done at all; and you call that civil service. It is inefficient service and nothing else. An honest civil service would not tolerate a condition that gave a tenure of over 15 or 20 years. Look at the effect of it. If you are to continue these people in these positions, if you are to take their service all of their lives nearly, unfitted as they will be at the end of it for the performance of any other duty, common honesty would compel you to have a civil-service pension list, and you have not a right to so legislate. You have not a right, through your Executive or in any other way, to so decree as to place that burden upon the American people.

Mr. Chairman, these assistant postmasters of the United States do not give a bond except to the Government, and yet the postmaster is responsible for every single act they perform, every defalcation they make, and the Government does not go to their assistance. It goes to the postmaster to make him account for the defalcation. Pending in our committee are bills asking relief for postmasters where their assistants have plundered the Treasury. Yet there is no bond. Here is a man who is a confidential clerk; he ought to be the personal friend, if not the political friend, of the postmaster, and yet he is thrust upon that postmaster. He may have been taken, as was once done, from Washington and put in the New York post office, without the consent of the postmaster there. No control, no authority over him, and yet that man has the right to handle the revenues of the post office, and does handle them.

Now, this section does nothing more than this: It provides that these assistant postmasters shall not only execute a bond to the United States, but in the discretion of the Postmaster General he may require him to issue a bond to his principal, naming the conditions under which this ought to be done. But

passing from that, let us look at the other part of the section for a little while.

Mr. HULINGS. Will the gentleman yield?

Mr. MOON. I will.

Mr. HULINGS. If the postmaster is responsible for the acts of his assistant, I can see why the postmaster should be in authority to exact a bond from him, but why should he give another bond to the United States, since the postmaster himself has given his bond to secure the United States? And if the postmaster himself is responsible for the acts of his assistant why should he not appoint his assistant and thus obviate the necessity of any regulations requiring the Postmaster General to send a man from New York to Pittsburgh or vice versa to fill the post of an assistant?

Mr. MOON. I think that is a very wise suggestion. I should be very glad to accede to that. However, I am not attempting, and the committee is not attempting, in this bill to do more than to remedy the condition that exists in reference to that matter, leaving it in the discretion of the department. This is not a bill to correct the whole civil-service law. It is a measure that we think should receive consideration, connected as it is with the Post Office Department.

If I were presenting to this House a civil-service law, I would insist that the term of office should be limited to a certain number of years; that the applicant should pass an examination for the particular work that he was to perform; that he should be of a certain age; that he should be limited to a term of years, to an age beyond which he could not serve longer; that he should have an examination then, and at the end of that time, when he is still an efficient man and can make a living in a contest with the world, he should go out into the world and make a living and let the department be relieved from the burden of a civil-service pension law. That is the way I would handle the clerks.

I want to say that, so far as the postmasters and their assistants are concerned, I would have the party in power to name them and to take the responsibility. You can not administer this Government in accordance with the principles and policies of the Democratic Party as decreed by the people at the polls a year and a half ago unless you have Democrats to aid in this administration. [Applause on the Democratic side.]

These assistant postmasters ought to be appointed, as suggested by my friend from Pennsylvania [Mr. HULINGS], by the postmaster or by the administration. And while I am right here on that question, before I forget it, I want to say that these gentlemen who are now holding these offices—2,560 of them in the United States—are, 98 per cent of them, Republicans. Not one of them ever took a civil-service examination for assistant postmaster; not one. Then, tell me why it is that you want to violate the spirit of the civil-service law and retain them without an examination? Did not Mr. Taft, in the expiring days of his administration, cover by Executive order 43,000 assistant postmasters into the service for life? Yea, for life. And did not President Wilson say that that was not just and fair, and that there ought to be an examination of these men? And did he not order an examination of them, and has not that order been executed, and is it not being executed?

If it was a wise order as to the fourth-class postmasters, why is it not equally wise as to the assistant postmasters in first and second class offices? Will any gentleman tell me why? Are you going to tolerate it? I do not care whether my friend Postmaster General Burleson or anybody else wants to tolerate it, the retention of 2,500 Republican officeholders for life without examination Democracy can not sanction. Are you ready to tell the American people that you are holding these offices in trust for the Republican Party to thwart and destroy the principles of democratic government?

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Wyoming?

Mr. MOON. Not now. This is a little question, so far as these officers are concerned, but the fundamental principle underlying it is potential. You are going too far. Yea, you go too far when you permit for life the existence of a single officer. The time has come when these things must be changed in the interest of the people.

This administration is doing well; its splendid work on the tariff, on the currency, on the trust bills, and other measures has gone through; it will carry out the postal legislation that will make this great department of the Government safe in the promotion of the public welfare. But let me tell you that when the end of economic policies shall come, so far as legislation in this House is concerned; when the decree of the people on the subject of trusts and monopolies shall have been registered; when they have been relieved from the thralldom and the oppression of monopoly, then you will turn instinctively to the



consideration of the fundamental principles of your Government. Weighed down as you have been in the years past by untoward policies, you have not given that consideration to the great fundamental principles and issues upon which the great Republic rests. I introduced, a few days ago, for the correction of these errors, an amendment to the Constitution by prohibiting the life tenure in office of individuals, which I will reproduce, with your permission, as an appendix to my remarks, and it brought forth a storm of vindictive and vituperative suggestions from that part of the press of the country which does not want to come any nearer to a republican form of government than we have got. As I have said before, I say now, it is not a true Republic that we live under; no land is a Republic in which the judicial power is vested for life in men. There is no liberty, and there never was in any land where the judiciary had the power under the Constitution to nullify the law of the supreme legislative body of the Government. That power does not exist to-day in any one of the great nations of the earth. This is the only land in which the power of the judiciary is raised above the legislative branch of the Government to the point of a nullification of its laws. You will never have a Government of the Constitution in accordance with the spirit of the American Declaration of Independence until you shall have a law that makes your judiciary elective, and that makes elective the officials of all our great administrative offices. And finally, let me tell you, the lines of political battle will be drawn and forced in this country along the lines of the Declaration of Independence, and we shall yet breathe the immortal spirit of 1776 into the Constitution.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Minnesota?

Mr. MOON. No; not now. That spirit was destroyed when the patriots were defeated in the Constitutional Convention by the overpowering strength of the late Tories and the late adherents to Great Britain. But the sentiment has passed down the line for more than a hundred years. The fight between federalism and democracy has gone on during all these years, and yet men tell us we are not capable in the Federal institution of exercising the power which we exercise in the sovereign States that constitute the Union. Is there any more reason why this Federal Government should not be drawn in bonds of love and union to the hearts of the American people than that the citizens of our Commonwealths should be drawn to the great Commonwealths in which they live? [Applause on the Democratic side.]

Gentlemen, you can look forward. You are going to have every "ism" that is possible, until you have at last come down to a government under a constitution by the people. If, as men who believe in republican institutions, we turn our backs upon the doctrine that the people are competent, that the people have the right to determine and enforce their will at the ballot box, you have done nothing more than to sanction under the form of government the divine right of kings. No ruler, it is true, is here set upon the throne and wields the scepter. There is no ruler here. It is true, to whom the subject must bow. But there is a greater ruler than a mere personal king. It is the law, the majesty of the law; and if law is so made as to uphold and maintain classes against the common people, if it is so made as to uphold and maintain monopoly of power against the common citizen, it is a shame and a disgrace to mankind to speak of a law under such conditions being promulgated and maintained by a real republic. [Applause on the Democratic side.]

You must go back, and you will, to the fundamental principles of democracy. Old Jefferson said that this Government could not be administered by its enemies. Great Britain would be just as great an oppressor, and no greater, to those who advocated the principles of true democracy, than those in this Government who have no faith in the people being capable of administering their affairs by elections at the ballot box.

Mr. Chairman, I have often heard it said that Cato the elder, remembering the wrongs to his country by Carthage, never closed a speech that he did not declare that if Roman liberty was to live Carthage must be destroyed. I tell you, sir, that the day is not far distant when every American patriot must close every public utterance with the declaration that if liberty shall survive in the Republic the life tenure in office must be ended. [Applause on the Democratic side.]

Mr. HULINGS. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. HULINGS. I rise to ask a question.

The CHAIRMAN. Does the gentleman from Tennessee yield for a question?

Mr. MOON. Yes.

Mr. HULINGS. If the gentleman believes that the sentiments he has been so eloquently expressing are democracy, they are precisely such sentiments as I believe in, but I call them Lincoln republicanism.

Mr. MOON. I do not know anything about Lincoln republicanism. I believe in democracy.

Mr. HULINGS. When you advocate Jeffersonian democracy you are practically advocating Lincoln republicanism.

Mr. MOON. All right. I am glad Mr. Lincoln agreed with us.

Mr. HULINGS. Both of those great Americans agreed in their opposition to the Hamiltonian idea that this is a Government by the representative "class." But to my question; there is a matter which I wish to ask about. I have had a great many complaints from men who are rural route carriers. We increased their pay to \$1,200, but leave it discretionary with the Postmaster General, and under that discretion many of the carriers get no increase whatever. Now, is that matter to be covered anywhere in your bill?

Mr. MOON. The act approved on March 9, 1914, provided for an increase of rural letter carriers' pay to not exceeding \$1,200 per annum.

Mr. HULINGS. Yes; but, for instance, I have five carriers from one office. Three of them get an increase of \$82. Two of them do not get any increase at all, because it is said that under the discretion of the Postmaster General this increase is only given in proportion as they carry an increased number of postal parcels.

Mr. MOON. I presume the gentleman understands the order of the Postmaster General, which bases the pay not only on mileage but on the number and weight of the packages carried.

Mr. HULINGS. Oh, yes; I understand. But it was understood that the pay of carriers was increased on the ground that they were underpaid, but the Postmaster General has made regulations that prevent some carriers getting any increase. Is that corrected in this bill?

Mr. MOON. No. Some gentleman may offer to amend this bill on that question. I do not know that.

THE RAILROAD COMPANIES SEEK TO DIVEST THE POSTMASTER GENERAL OF ALL DISCRETION AS TO RATES.

The principal part of the railroads' material which they have been using in fighting the pending bill has been furnished them by ex-Senator Bourne, chairman of the Joint Committee on Railroad Mail Pay. The latest document put out by the railroads is a reprint of Mr. Bourne's five statements given to the public since the introduction of the present bill, assailing it and the Post Office Committee and the Post Office Department. The railroads, in their contention for higher pay and in their insistence that all discretion be taken from the Postmaster General in the matter of fixing pay, find an advocate in Mr. Bourne in these published statements, regardless of the testimony submitted by the Post Office Department and the legislation upon railroad mail pay since its beginning.

One of the contentions most strenuously made by the railroads before the Joint Commission on Railroad Mail Pay was that the present law should be changed and that the Postmaster General be divested of all power over rates. In order to accomplish this they insisted that the words "not exceeding," which are now included in the statute, be eliminated from the proposed legislation, and that the rates should be fixed absolutely and the Postmaster General given no power to fix a lower rate. In other words, this would put the railroad companies in complete command of the situation regardless of the Postmaster General. If, under special conditions, the service were not worth the maximum rates fixed by Congress, the railroad companies could insist upon those rates regardless of the equities in the case and the Postmaster General would be helpless and be compelled to pay what he knew was an exorbitant rate for mail service. The railroads have found an advocate in ex-Senator Bourne, the chairman of the joint committee authorized by Congress to consider the question, and he has stated in his public utterances that the proposal of this bill, which has the support of the department, to still retain these words in the law is "bureaucracy run mad."

As a matter of fact, the proposed provision in this bill is substantially the same as the provisions of all statutes regulating mail pay for railroad service since the enactment of the law of 1838. They have all provided maximum rates and have all lodged in the Postmaster General a discretion to fix lower rates if it were proper to do so. The present plan of fixing pay is prescribed by the law of 1873, and its amendments and these words are continued in those statutes. The provision that the Postmaster General shall pay "not exceeding" the rates named forbids the Postmaster General paying more than those rates, but gives him the discretion of paying less if the conditions of the service do not warrant the maximum pay. The assumed fear that some Postmaster General would grossly abuse this dis-



cretion is without the slightest foundation, as not one of them has ever made a level or horizontal reduction in rates applying to all services. However, there are individual cases where, on account of the special conditions of the service, the Postmaster General has paid less than the maximum rates. The railroads and their friends who are aiding them in the fight against this salutary provision want these words stricken out and the Postmaster General left helpless in these matters.

#### THE DEPARTMENT'S CREDITABLE SPIRIT OF COOPERATION.

The chairman of the joint committee considering railroad mail pay, which has not yet made its report to Congress, although it has long since closed its hearings and printed the evidence in a volume of over 1,500 pages, has, according to the newspapers, been giving out almost daily interviews since the House Committee on the Post Office and Post Roads reported the bill now under consideration, in which he has attacked the Post Office Department and its officers, charging them with changing the details of their plan and their rates for adjusting railroad mail pay on the space basis.

The Postmaster General submitted to the joint committee on February 12 of the present year a tentative draft of suggestions for recommendation for legislation and regulation of railroad mail service and compensation therefor. In this draft the space basis was recommended with certain sizes of cars, conforming to the conditions now found in the service and line charges and terminal and loading charges specified. The plan was a tentative one and became the subject of discussion before the joint committee. The officials of the Post Office Department defended its provisions and agents and attorneys of the railroad companies assailed them, and at all times the officers of the department were open-minded and endeavored by every means at their disposal to enlighten the commission with their views and such facts as they could submit, and to assist in reaching conclusions upon each and every point which should be most consistent with the best interests of the service and in complete fairness to the railroad companies. It is highly creditable to them that they have been willing to adopt every feature which the testimony and the discussion before the joint committee seem to make advisable under all the circumstances. This is in striking contrast with the attitude assumed and the spirit shown by the attorneys and representatives of the railroad companies at the hearings. They offered no constructive proposal excepting the correction of certain inconsistencies in the present law. They opposed the space basis upon every occasion for no apparent reason other than that stated by Representative LLOYN, a member of the joint committee, at the hearings, as follows:

There is not one trunk-line representative here but who is doing everything in his power to make it appear they are not receiving enough for carrying the mail, and it is not the question of whether it should be carried by weight or space, and the reason you are objecting to space is because you do not think you will get as much compensation as under the weight system.

In sharp contrast, however, and with open-mindedness and frankness in the consideration of the subject and in a spirit of complete cooperation with the joint committee so far as they were able to discover their views in conferences had with them the officers of the department recommended certain changes in the tentative plan referred to. These changes have been embodied in the bill reported by the House Committee on the Post Office and Post Roads and which is now under consideration. These principal changes may be briefly mentioned under the following headings, and the department is not only willing to so cooperate in making these changes, but is anxious to give the commission any credit that may be due it for the development of the subject in the manner which has led to such changes.

#### THE PRESENT PLAN AND RATES FOR READJUSTING RAILROAD MAIL PAY; THE PROPOSED PLAN; THE PRESENT PLAN.

The purpose of this proposed act is to provide for a new plan of readjusting railroad mail pay. The new plan contemplates the adoption of the space basis and the abandonment of the weight basis with respect to the greater part of the service.

At present railroad mail pay is provided for and adjusted upon the basis of the average daily weights carried over the several established railroad routes, and an additional amount is allowable for railway post-office cars when the space for distribution purposes equals or exceeds 40 feet in the car. Space for distribution purposes in apartment cars—that is, space less than 40 feet—is not compensated for in addition to the pay for the weight of mails. There are, therefore, under present law two different methods of pay for service which cover three different conditions in the service. That is, there is pay for weight under all circumstances; there is additional pay for space, 40 feet and more, in cars; and there is pay for weight only in cases where apartments less than 40 feet in cars are furnished.

Readjustments of compensation are made under the law allowing pay for average daily weights upon weighings in each contract section not less frequently than once in every four years. The country is divided into four contract sections, all quadrennial contracts for the several classes of transportation services, together with the railroad service, expiring in each contract section at the same time. The weighings of mails on the railroad routes occur successively in the several contract sections. Hence there is a weighing every year in the service, although but one every four years in any particular section. Upon the weights of mails for each route obtained during the weighing period the average daily weight carried over its whole length is computed and the pay per annum is fixed according to the schedule of rates provided by law. The order readjusts the pay for the contract term of four years, subject to future orders and fines and deductions.

The statute fixing the pay for railroad transportation based on average daily weights provides certain conditions precedent to entitle the companies to full pay, one of which is that sufficient and suitable room, fixtures, and furniture in a car or apartment properly lighted and warmed shall be provided for railway postal clerks to accompany and distribute the mails. Consequently no additional pay is authorized for space to distribute the mails in apartment cars 30 feet or less in length.

The additional pay allowed for full railway post-office cars of 40 feet or more in length is ordered at the rates fixed by statute and the regulations of the department upon the needs of the service, as ascertained and reported by the field officers of the service and finally accepted by the officers of the department in accordance with the postal regulations governing such authorizations.

The authorization of mail service to be performed by railway companies is made by the Postmaster General under sections 3942, 3964, and 3965, Revised Statutes (secs. 1316, 1305, and 1307, Postal Laws and Regulations, 1913), but without formal contract reduced to one instrument, the mutual agreement of the department and the company being followed by a formal order establishing the service over a definite line and between stated termini.

The statutes governing the authorization of railroad mail service and fixing the rates of compensation are contained in section 1317 of the Postal Laws and Regulations, 1913 (Rev. Stat. 4002 and subsequent acts), and reads as follows:

SEC. 1317. The Postmaster General is authorized and directed to readjust the compensation \* \* \* to be paid for the transportation of mails on railroad routes upon the conditions and at the rates hereinafter mentioned:

First. That the mails shall be conveyed with due frequency and speed; and that sufficient and suitable room, fixtures, and furniture, in a car or apartment properly lighted and warmed, shall be provided for \* \* \* (railway postal clerks) to accompany and distribute the mails.

Second. That the pay per mile per annum shall not exceed the following rates, namely: On routes carrying their whole length an average weight of mails per day of 200 pounds, \$50; 500 pounds, \$75; 1,000 pounds, \$100; 1,500 pounds, \$125; 2,000 pounds, \$150; 3,500 pounds, \$175; 5,000 pounds, \$200, and \$25 additional for every additional 2,000 pounds, the average weight to be ascertained, in every case, by the actual weighing of the mails for such a number of successive working days, not less than 30, at such times after June 30, 1873, and not less frequently than once in every four years, and the result to be stated and verified in such form and manner as the Postmaster General may direct.

2. The Postmaster General \* \* \* is hereby authorized and directed to readjust the compensation to be paid from and after the 1st day of July, 1876, for transportation of mails on railroad routes by reducing the compensation to all railroad companies for the transportation of mails 10 per cent per annum from the rates fixed and allowed by the first section of an act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1874, and for other purposes," approved March 3, 1873 (R. S., sec. 4002), for the transportation of mails on the basis of the average weight.

3. The Postmaster General \* \* \* is hereby authorized and directed to readjust the compensation to be paid from and after the 1st day of July, 1878, for transportation of mails on railroad routes by reducing the compensation to all railroad companies for the transportation of mails 5 per cent per annum from the rates for the transportation of mails, on the basis of the average weight fixed and allowed by the [preceding paragraph] first section of an act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1877, and for other purposes," approved July 12, 1876.

4. The Postmaster General is hereby authorized and directed to readjust the compensation to be paid from and after the 1st day of July, 1907, for the transportation of mail on railroad routes carrying their whole length an average weight of mails per day of upward of 5,000 pounds by making the following changes in the present rates per mile per annum for the transportation of mail on such routes, and hereafter the rates on such routes shall be as follows: On routes carrying their whole length an average weight of mail per day of more than 5,000 pounds and less than 48,000 pounds the rate shall be 5 per cent less than the present rates on all weight carried in excess of 5,000 pounds; and on routes carrying their whole length an average weight of mail per day of more than 48,000 pounds the rate shall be 5 per cent less than the present rates on all weight carried in excess of 5,000 pounds up to 48,000 pounds, and for each additional 2,000 pounds in excess of 48,000 pounds at the rate of \$19.24 upon all roads other than land-grant roads, and upon all land-grant roads the rate shall be \$17.10 for each 2,000 pounds carried in excess of said 48,000 pounds.



5. The provision of the act of March 2, 1907 (34 Stat., 1212), fixing the compensation to be paid for transportation of mail on land grant railroads at the rate of \$17.10 for each 2,000 pounds carried in excess of 48,000 pounds, is hereby amended to make such rate of compensation after June 30, 1910, \$15.39 for each 2,000 pounds carried in excess of 48,000 pounds, and the Postmaster General is hereby authorized and directed to readjust the compensation in accordance with this amendment.

8. That hereafter before making the readjustment of pay for transportation of mails on railroad routes the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days not less than 90, at such times after June 30, 1905, and not less frequently than once in every four years, and the result to be stated and verified in such form and manner as the Postmaster General may direct.

10. When the weight of mail is taken on railroad routes the whole number of days included in the weighing period shall be used as a divisor for obtaining the average weight per day.

SEC. 1318. All railway companies to which the United States have furnished aid, by grant of lands, right of way, or otherwise, shall carry the mail at such prices as Congress may by law provide; and, until such price is fixed by law, the Postmaster General may fix the rate of compensation.

SEC. 1319. Railroad companies whose railroad was constructed in whole or in part by a land grant made by Congress on the condition that the mails should be transported over their road at such price as Congress should by law direct shall receive only 80 per cent of the compensation authorized by this act. (See paragraph 5, section 1317.)

TABLE OF MAXIMUM RATES OF PAY FOR RAILROAD MAIL SERVICE.

The maximum compensation for general railroad mail service and for service over land-grant railroads is shown in the following table:

Average weight of mails per day carried over whole length of route.	Pay per mile per annum.			
	Rates allowable under sec. 4002, R. S. (act of Mar. 3, 1873).	Rates allowable under acts of July 12, 1876, June 17, 1878, and Mar. 2, 1907 (see note 1).	Rates allowable to land-grant railroads under acts of July 12, 1876, June 17, 1878, Mar. 2, 1907, and May 12, 1911 (see notes 1 and 2).	Intermediate weight warranting allowance of \$1 per mile under the law of 1873 and the act of July 12, 1876, June 17, 1878, and Mar. 2, 1907 (see note 1).
200 pounds.....	\$50.00	\$42.75	\$34.20	Pounds.
200 to 500 pounds.....				12
500 pounds.....	75.00	64.12	51.30	20
500 to 1,000 pounds.....				30
1,000 pounds.....	100.00	85.50	68.40	40
1,000 to 1,500 pounds.....				50
1,500 pounds.....	125.00	106.87	85.50	60
1,500 to 2,000 pounds.....				70
2,000 pounds.....	150.00	128.25	102.00	80
2,000 to 3,500 pounds.....				90
3,500 pounds.....	175.00	149.62	119.70	100
3,500 to 5,000 pounds.....				110
5,000 pounds.....	200.00	171.00	136.80	120
For each additional 2,000 pounds above 5,000 and less than 48,000 pounds.....	25.00	20.30+	16.24+	130
Above 5,000 and less than 48,000 pounds.....				140
For each additional 2,000 pounds in excess of 48,000 pounds.....	25.00	19.24	15.39	150
Character of route.				
Nonland grant.				
Land grant.				
Intermediate weight above 48,000 pounds warranting addition of \$1, net.....		Pounds.	Pounds.	
		103.96	129.93	

No allowance is made for weights not justifying the addition of \$1.

NOTE 1. The act of March 2, 1907, affects only routes carrying over 5,000 pounds.

NOTE 2. The act of May 12, 1910, affects only land-grant routes carrying over 48,000 pounds.

The statutes authorizing additional pay for full cars are contained in section 1329 of the Postal Laws and Regulations (Rev. Stat., 4004, and 34 Stat., 1212):

SEC. 1329. Additional pay may be allowed for every line comprising a daily trip each way of railway post-office cars, at a rate not exceeding \$25 per mile per annum for cars 40 feet in length, and \$30 per mile per annum for 45-foot cars, and \$40 per mile per annum for 50-foot cars, and \$50 per mile per annum for 55 to 60 foot cars.

2. After July 1, 1907, additional pay allowed for every line comprising a daily trip each way of railway post-office cars shall be at a rate not exceeding \$25 per mile per annum for cars 40 feet in length, and \$27.50 per mile per annum for 45-foot cars, and \$32.50 per mile per annum for 50-foot cars, and \$40 per mile per annum for cars 55 feet or more in length.

THE PROPOSED PLAN.

The proposed law changes the method of authorizing and the method of paying for service, so that space shall be the controlling factor. Space will be authorized for distribution purposes wherever needed for distribution of mails, and space for storage of mails will be authorized as storage cars wherever needed for that purpose.

The space basis will apply to all service, except what is known as closed-pouch service on trains where there are no distribution cars authorized; that is, where there are no full cars or apartment cars operated and used.

The plan provides that service on closed-pouch trains shall continue to be paid for on the weight basis, with some modifications in the present rates which will be detailed later on. Closed-pouch service is the transportation and handling of mails in sacks and locked pouches in the custody of train employees on trains upon which full or apartment railway post-office cars are not needed or operated. The space basis is believed to be less desirable when applied to this class of service because of its fluctuating character as distinguished from the regularity and certainty of the postal-car service. It is proposed, however, to weigh these mails yearly and readjust compensation with the same frequency. As the mails are light in weight and the weighing can be done principally, if not wholly, by postmasters, transfer clerks, and other permanent employees of the department, it is believed that the cost thereof will be slight.

Section 15 is designed to make such changes in existing law as will put into effect this new plan. It repeals all statutes relating to adjustments for carriage of mails on the weight basis, excepting for closed-pouch mails, and fixes certain rates for authorized space instead.

It has been the purpose in drafting this provision to change existing law only so far as is necessary to accomplish the change in plan, with some new provisions which will be explained. Most of the provisions are similar in form to existing law or regulation, except where slight changes have been found necessary in order to adopt them to the new plan of adjustment.

ARE THE RAILROADS UNDERPAID FOR MAIL SERVICE?

During the hearings before the joint committee the railroads to a large extent were represented by what is known as the railway mail pay committee. This term should not be confused with any official committee, but was one chosen by the railroad representatives to designate the organization of their attorneys and agents in presenting the case of the railroads to the joint committee of Congress.

This railway mail pay committee contended before the joint committee that the railroads are underpaid for mail service, placing the amount, based upon various hypotheses, at most extravagant figures ranging from \$15,000,000 upward. They appear to have had a most excellent organization, unlimited funds for carrying on publicity work, and to have persistently followed a plan to influence the public mind in an attitude of antagonism against the administration of the Post Office Department and to convince everybody that the railroads were receiving far less pay for the service performed than they were entitled to receive. Their campaign of publicity has been carried on through the newspapers and the circulation of printed pamphlets and leaflets sent apparently to a large mailing list, including Members of Congress, public officials, municipal organizations, railroad employees, and even the postmasters of the United States. In this printed matter they have set forth, as a rule, their own partisan views or their attempts to discredit the position taken by the officers of the Post Office Department in submitting the case for the Government to the joint committee. These statements have been unfair and biased and were not calculated to inform the recipients of the true condition or the merits of the controversy.

It is perfectly plain from a perusal of any one of these documents sent out by the railroads' organization that their purpose was not one of education but one of systematic effort to mold public opinion favorable to higher rates for railroad mail service and to discredit as far as possible the administration of the Post Office Department in connection with railroad mail pay. They have, however, not ended their activities at that point, but in a prepared statement for the press and in a separate pamphlet have attacked the department, the Postmaster General, and the chairman of the House committee for the existence of the bill that is now under consideration.

So far as underpayment to the railroads is concerned, the contention of the railroad companies was completely answered by the Second Assistant Postmaster General in his brief submitted to the joint committee January 16, 1914, and printed in their hearings, pages 937 and following. In this brief it is shown that the railroads not only were not underpaid at the time the ascertainment was made, but in fact were overpaid



on a strictly commercial basis. The railroads attacked the ascertainment made by the department on the ground that the department's division of general expenses between the freight and passenger services apportioned too small an amount to the passenger service and therefore decreased the mail apportionment, and, further, they contended that the department's charge in Document 105 of space to the mail service was too small, because it did not charge the mail service with all the dead space which was represented in the cars the railroad companies saw fit to run regardless of the requirements of the department. These objections were later fully answered by the department, the principal features of which are set out in pages 1247 and following of the testimony taken before the joint committee.

#### CONSIDERATION BY COMMISSION.

The question of the proper basis for fixing compensation for the carriage of the mails by the railroads has been in controversy for many years. The present plan of readjustment was enacted in 1873, when the conditions differed very materially from those obtaining now. The plan has never been entirely satisfactory to the railroads or to the Post Office Department. The former have made repeated efforts to secure a revision of the laws that would increase their compensation, while the Post Office Department has maintained that the basis is inelastic and unscientific.

The question has been studied by several departmental and congressional commissions, all of whom have pointed out the desirability of the adoption of space as the main basis for compensation, and several of the commissions have recommended legislation fixing space with certain modifications as the unit of service. As early as 1874 and 1876 bills were introduced in Congress providing for a system of pay on a space basis.

A minority of the Hubbard Commission submitted a report to Congress in 1877 (45th Cong., 1st sess., S. Misc. Doc. No. 14, Dec. 14, 1877) recommending the adoption of the space basis combined with the factors of weight of mails carried and speed of trains.

A committee composed of departmental officials made an exhaustive study of the subject in 1883 and recommended in a report submitted to Congress in that year the adoption of a space basis, modified, however, by the factors of weight, speed, and frequency of service.

Subsequently in 1901 the joint commission of Congress, known as the Wolcott-Loud committee, investigated the Postal Service, and while the commission, as a whole, stated in its report (published as H. Rept. No. 2284, 56th Cong., 2d sess.) that though recognizing that the question of space must be considered as having strong influence upon the question of the reasonableness of the present (1901) railway mail pay, it felt unwilling, with the evidence before it, to recommend it as the controlling standard. Representative Loud, of the commission, however, gave it as his opinion in a separate report that space should be the basis of railway mail pay, as it is, as he stated, "the principal and therefore should be the controlling factor."

Following the investigations of 1877 Congress passed a law (act of Mar. 3, 1879, 20 Stat. L., 353) requiring the Postmaster General to request all railroad companies carrying the mails to furnish under seal such data relating to operating, receipts, and expenditures of such roads as may, in his judgment, be necessary to enable him to ascertain the cost of mail transportation and the proper compensation to be paid for the same, and to report to Congress, with such recommendation, founded upon the information obtained, as shall, in his opinion, be just and equitable.

An effort was made soon after the passage of this act to secure the information required, but the reports of the companies were so meager and unsatisfactory that they were practically worthless for the purposes indicated in the statute. Subsequently the subject was considered by the department, but because of the general opinion that the railroads did not have their accounts in shape at that time to enable them to make the reports as the department needed, and the belief of the department that the spirit of the law of 1879 had been substantially complied with by the several departmental and congressional commissions that had investigated and reported on the question, no further active effort was made until 1907, when the then Postmaster General directed that an inquiry be made along the lines of the statute, it being his belief that sufficient advance in accounting methods had been made by the railroads to permit the desired information to be furnished. It was a new and difficult undertaking and it required time to determine its practicability and extent. In November, 1909, in response to requests and instructions from the department, the railroads prepared and submitted data as to their operation, receipts, and expenditures. The department subsequently collated the information, made voluminous tabulations and computations

based thereon, and submitted the result to Congress on August 12, 1911, together with a tentative draft of suggestions for legislation providing for the annual ascertainment of the cost of performing the mail service by each carrying road and the readjustment of pay on the space basis.

The report was printed as House Document No. 105, Sixty-second Congress, first session. Discussion of the proposed law during the second session of the Sixty-second Congress led to the designation, pursuant to the act of August 24, 1912, of a joint committee of the Senate and House of Representatives to make an inquiry into the subject of postage on second-class mail matter and compensation for the transportation of mail. This committee organized and proceeded with its investigations, making the department's suggested bill the basis thereof, but being unable to make report by March 4, 1914, as required by the law, its personnel was continued by the act of March 9, 1914, with the same authorities and powers until final report is made to Congress, which is required to be made on or before December 1, 1914.

The committee has heard during its sessions a large amount of evidence upon the question, not only from the department, but from the railroad companies and their representatives, and has collected a vast amount of very valuable and very useful information, which is undoubtedly the most complete that any commission has ever collected on this subject.

After the consideration of the question of cost and after having had the benefit of the discussions before the committee, the department came to the conclusion that the ascertainment of cost in the manner in which it was first proposed and the use of such cost as the basis for rates is not desirable nor practicable, and that some other plan of fixing the rate should be adopted. This conclusion led to the preparation of the bill presented to-day for the consideration of Congress.

The hearings before the joint committee show that the space basis is entirely practicable, that it is more equitable to the individual roads than the weight basis, and that it is more adaptable to good and economical administration of the service.

#### ADEQUACY OF THE RATES PROVIDED.

The rates in the bill as amended provide for paying a line rate of 21 cents a mile for a mile run for a full railway post-office car of 60 feet in length and a pro rata amount, namely, 10½ cents, for apartments 30 feet in length, in cars, and a higher than pro rata amount, namely, 5½ cents, for apartments 15 feet in length, in cars, and 20 cents a mile run for a storage car 60 feet in length. In addition to the line rate there is a terminal rate of \$4 for each one-way trip of a full 60-foot car, making \$8 for the round trip, and a pro rata amount for apartments of 30 and 15 feet, respectively, in cars, and \$4 for each one-way trip, or \$8 for a round trip, of each storage car.

These line rates and the terminal rates combined make an average for the working and storage cars of 22.63 cents for each mile run of the equivalent of a 60-foot car, but there should be added to this the amount received for closed-pouch service, which will be adjusted upon the basis of weights. When this is added and proper allowance is made for the space which will be used in conveying the closed pouches, the rate is raised to 22.96 cents for each car mile for a 60-foot car or its equivalent.

The unit rate, therefore, which is to be considered in discussing the question as to adequacy or inadequacy of the pay is 22.96 cents for a car mile of service performed by a 60-foot car or its equivalent. There can be no reasonable doubt that this rate is entirely adequate. It is far above the "out-of-pocket" expense of the companies for carrying the mails, and not only covers the actual expense but the apportioned expense upon the basis of the car-foot miles of service performed for the mails and, in addition to that amount, furnishes a large surplus for the payment of the mails' share of the other expenses which railroad companies must pay out of revenues from the passenger service. This includes such items as rents for leases of other roads, hire of equipment, joint facilities, miscellaneous rent debts, sinking and redemption funds chargeable to income, interest on funded debt, and also dividends declared and appropriations for reserves. It is evident to everyone who has thought seriously upon the subject of mail pay that the Government should not participate in many of these expenses to as great an extent as the passenger service should.

This rate of 22.96 cents may be compared with—

- (1) The estimated cost of performing the mail service;
- (2) The estimated average revenue received by the railroad companies for a mile of service by a 60-foot passenger car; and
- (3) The revenue received by the railroad companies from the express service for the same facility furnished.

#### COMPARISON WITH ESTIMATED COST.

The Post Office Department made an exhaustive inquiry as to the cost to the railroad companies of performing the mail serv-



ice. The results of that inquiry are set forth in House Document No. 105, Sixty-second Congress, first session. In that inquiry the department charged against the mail service all the direct expenses reported by the railroad companies and apportioned to the mail service a share of all other passenger expenses, excepting those incurred for passenger service exclusively, on the basis of the proportion of car-foot miles in the mail service to the entire car-foot miles in the passenger service, including mail and express. As I shall mention hereafter, the department has shown that this is a most liberal apportionment to the mail service and participates to a larger extent in many of the items of expense than the railroad companies have a right to expect from the Government. However, the result of this ascertainment placed the operating expense of the entire service and the taxes at an average of 18.49 cents a car mile for a 60-foot car or its equivalent. In a mile rate of 22.96 cents this leaves a surplus of 4.47 cents a car mile, which is 24.17 per cent of the operating expenses and taxes. Even if the cost of operation and taxes were actually as high as 18.49 cents, this leaves a surplus which is ample to pay all the mails' share in other expenses payable out of revenues heretofore mentioned, such as rents, equipment, interest on funded debt, and dividends, sinking funds, and appropriations for reserves. Out of the estimated actual amount of money which will be received by the railroads under the provisions of this bill for 1915, including an estimated increase of 4 per cent on the total amount for the usual increase in service during the fiscal year, the bill would provide \$49,474,042 for actual and apportioned operating expenses and taxes and a surplus of \$11,960,464 to apply to these other charges, including interest on funded debt and dividends on stocks.

But the apportioned charges to the mail service above the estimated operating expenses and taxes were unquestionably much too high, because it compels the department to participate to a greater extent than it should in the general expenses of the passenger service. This fact was clearly pointed out by the Second Assistant Postmaster General in his testimony before the joint committee, on page 997 of the evidence, in which, having shown that the railroads, on a most liberal apportionment of cost, were receiving more in 1910 than such cost, he said as follows:

Attention is further called to the fact that the above apportionment of expenses—other than operating expenses—chargeable to operating revenues is made to the mail service on the basis of 6.68 per cent of the passenger apportionment. Such a plan of apportionment makes the mail service participate in this ratio in all the passenger operating expenses included in the above account in addition to dividends. When it is remembered that these items cover the whole field of operating expenses chargeable to operating revenues for the maintenance and operation of the railroads, as well as interest on bonded indebtedness and dividends on capital invested in expensive terminal stations in large cities, it becomes evident that this charge against the mail service is too large. (A very great proportion of the physical value of railroads is concentrated in their terminals in large cities. \* \* \* These are often constructed with special consideration to the convenience of passenger traffic and expressing architectural beauty. \* \* \* The Pennsylvania terminal in New York cost \$115,000,000; the Grand Central terminal, New York, \$150,000,000; the Washington terminal, \$20,000,000; the Northwestern terminal at Chicago, \$24,000,000; the Union Station at Kansas City, \$40,000,000.—Government Ownership of Railways, Samuel O. Dunn, pp. 65, 216, 217.) It is impossible to say from data at hand how much it is in excess of a fair charge. The charge against the mail service on these accounts should not be greater than the fair value of the use of the property represented by them, and which is employed in connection with the mail service. Neither the railroads nor the department have this information, but it is evident that it must be much smaller than the sum used in the above apportionment.

Again, on pages 1481 and following of the testimony, he pointed out the fact that on the item of car equipment alone a much larger proportion of the actual cost of the passenger train is included in the mail per cent of cost, representing the proportion of operating expenses and taxes to total operating expenses and taxes—based on car-foot mile ratio—than is justified by the relative values of the passenger equipment and the mail equipment.

It must appear evident to all who give the subject any study that in any apportionment of general expenses of passenger service to the mail service the mails should not be made to participate in all of them in the same ratio of car-foot miles. There are doubtless many millions of dollars represented in the one item of funded debt, interest upon which must be paid annually, in which the mail service has no concern whatever. This funded debt will not only represent actual value of property, but also any bonds issued for other purposes. Stocks upon which dividends are declared must include watered stocks and stocks the result of road manipulation as well as stocks which represent real investment.

A further comparison may be made with the estimated cost of the operation of passenger cars, although it will be evident that this comparison is not a true one, because the cost of oper-

ating passenger service must necessarily be much higher than the cost of operating mail service. The associate statistician of the Interstate Commerce Commission, who has assisted the joint committee with their statistics, estimated in the hearings the cost for operating expenses for a passenger car-mile at 19.41 cents. Adding to this the taxes of 1.04 cents makes a total cost of 20.45 cents for a passenger car-mile. The bill proposes to pay the railroads at the rate of 22.73 cents a car-mile, which is 2.28 cents a car-mile, or over 11 per cent, in excess of the estimated cost of operation and taxes of a passenger car-mile.

#### COMPARISON BETWEEN TOTAL APPORTIONED COST AND TOTAL REVENUE RECEIVED FOR THE MAIL SERVICE.

The Post Office Department's ascertainment of estimated aggregate cost of the mail service, based upon the data reported to Congress in Document No. 105, was submitted to the joint committee by the Second Assistant Postmaster General, and is found on pages 994 and following of the testimony taken before that body. The statement there is made in detail and shows not only the actual and apportioned cost to the mail service for operating expenses and the cost for taxes but the additional apportionment to the mail service upon the liberal basis referred to of all the other expenses which the railroad companies must pay out of operating revenues. This statement is made for the fiscal year 1910 and shows that upon this liberal apportionment the cost of the service was at that time \$1,616,532 less than the revenue received by the railroad companies for that year. The department might have taken credit in that statement for \$900,000 more in revenues paid the railroads on account of the land-grant deductions. These deductions were made for value received on account of grants of lands, and so forth, and therefore should have been considered as received for the mail service. This would have increased the surplus payment by \$900,000.

The pending bill proposes to pay the railroads in the aggregate for 1915 under the new rates and plan more than the entire appropriation made by Congress for the fiscal year 1915 under the old system and old rates. If the ascertainment made by the department in 1910 be approximately correct—the railroad companies have never succeeded in materially modifying it—it must follow that even with the liberal apportionment of cost the provisions of this bill are extremely fair.

#### COMPARISON WITH ESTIMATED REVENUE FOR PASSENGER SERVICE.

The testimony before the joint committee shows that the Interstate Commerce Commission found the average passenger car-mile revenue to be 25.43 cents for the total number of railroads reporting in 1911. However, a recent publication by the Interstate Commerce Commission of the Text of the Twenty-fifth Annual Report on the Statistics of Railways in the United States for the Year Ended June 30, 1912, gives the latest figures in regard to the revenue to the railroads derived from passenger traffic. From this it is ascertained that the average car-mile revenue for passenger-train service is found to be 24.92 cents for the year ended June 30, 1912, which it will be noted is 0.51 cent less than the average passenger car-mile revenue in 1911. The pending bill proposes rates averaging 22.96 a car mile for mail service, which is only 1.96 cents per car mile less than the passenger car-mile rate for the year 1912, or a reduction under the passenger car-mile rate of only 7.86 per cent. The associate statistician of the Interstate Commerce Commission testified before the joint committee that 10 per cent reduction would fairly represent the difference between the passenger service and the mail service. It will be seen that the rates in the pending bill provide for a reduction of only 7.86 per cent. It can not be denied that the Post Office Committee has been most liberal in readjusting these rates.

#### COMPARISON WITH REVENUE RECEIVED BY THE RAILROADS FROM THE EXPRESS SERVICE.

The Post Office Department submitted to the joint committee a body of facts and statistics in relation to the revenue received by the railroad companies from the express business which are of the greatest importance and worthy of serious consideration in connection with mail rates. These facts are set out in pages 1271 to 1280, inclusive, of the record of the testimony taken before the joint committee. The actual first-class express rates and the actual mail rates are there shown for the carriage of 40 pounds and 100 pounds between certain points, showing representative hauls throughout the country. Fifty per cent of the full express rate in each case, which is approximately the amount the railroad company receives for carrying the express matter, is compared with the mail rate. In almost every instance the mail rate is shown to be largely in excess of the revenue received by the railroad companies from the express.

Again, a comparison is made between the revenue received by the railroads for mail service and the revenue which they would



receive for it if it were paid for at the same rate per ton-mile for which the roads carry express matter. The figures stated on page 1279 of that record have been slightly modified by corrections made by the department since the record was printed, and with these modifications it is shown that if the mail service had been carried at the same ton-mile rate which the roads receive for express service, the amount which the department would have paid in the fiscal year 1913 for mail service would have been \$49,389,607 instead of \$51,466,030 under the regular railroad mail rates. This comparison is made on express rates before they were reduced by the Interstate Commerce Commission. Another comparison was made upon the basis of an estimated per cent of that reduction, which made the amount \$41,487,270 instead of the figures given above.

It must be remembered that there are differences between the mail service and the express service, and that the railroad companies do not perform in each case the same service. However, there is a certain similarity between those services, especially with reference to particular articles of transportation. The Second Assistant Postmaster General called attention in the hearings before the joint committee to these differences and called upon the representatives of the railroad companies to appraise them, but the hearings do not show that any appraisal in money value was submitted by the railroads.

In view of this comparison, however, there can be no reasonable doubt left that the rates submitted in this bill are entirely adequate and very fair to the railroad companies.

#### OTHER CONSIDERATIONS AS TO ADEQUACY OF RATE.

THE MAXIMUM CAR SPACE IN EITHER DIRECTION TO CONTROL PAY FOR THE ROUND TRIP.

The bill provides that in computing the car miles of the full railway post-office cars and apartment railway post-office cars the maximum space authorized in either direction of a round-trip car run is to be regarded as the space to be computed in both directions, unless otherwise mutually agreed upon. It also provides that in computing the car miles of storage cars the maximum space authorized in either direction of a round-trip car run shall be regarded as the space to be computed in both directions, unless the car be used by the company in the return movement or otherwise mutually agreed upon.

These provisions give the railroad companies full pay for all deadhead movement of cars where they return empty or are not needed by the Post Office Department, except in the cases mentioned. These are very liberal provisions. Unlike other classes of service, the railroad companies know when the car is authorized and furnished that they will receive full pay provided by the statute for the return of the car, although the department may not have use for its full space. In no other class of service is this guaranteed, and the company can only secure the payment for the return movement by making the charge for the one-way movement high enough to cover it.

SURPLUS SPACE ABOVE DEPARTMENT'S NEEDS UP TO THE LENGTH OF THE CAR UNIT IS TO BE PAID FOR.

The provision of the bill in fixing the three units for lengths of cars—namely, 60 feet for full railway post-office cars and storage cars, and 30 and 15 feet for apartments in cars—are most liberal to the railroad companies, because they require payment for all surplus space above the actual needs of the department where such needs are less than the length of the next higher unit of car, with the exceptions named in the bill. It is estimated by the Post Office Department that a comparison between the actual needs for space in apartment cars at the present time and the total space in apartment cars of 15 and 30 feet in length, which will be required to fill the requisitions of the department, will show a surplus of unneeded space amounting to over 15,000,000 car miles per annum. In order to simplify the authorization and furnishing of cars the bill has provided for a less number of units of length than now exist in the service, but has very liberally provided for the payment of the extra space unless a company elects to furnish a car of the exact size needed by the department.

THE GOVERNMENT MIGHT CONSISTENTLY FIX RATES LOWER THAN COMMERCIAL RATES.

It will be noticed that the rates fixed in the bill are sufficiently high to place them on a strictly commercial basis. But the nature of the mail service and the transportation of the mails on railroads is of such a character as to fully justify Congress in fixing rates lower than strictly commercial rates if public policy demands it. There are certain considerations which would justify this if it is thought advisable to give them sufficient weight. These may be briefly referred to under the following headings:

1. The certainty, constancy, and homogeneity of traffic.
2. The certainty and regularity of payment.

3. Railroads are not built primarily to carry mails.

4. The protection to their mail trains which railroads, as Government agencies, receive against unlawful acts in interference with or obstruction of the mails carried.

5. The principle of public utility.

The facts and arguments under each of these headings are set forth in detail by the Second Assistant Postmaster General in his brief submitted to the joint committee on January 16, 1914, and may be found published in full on pages 998 to 1005, inclusive, in the record of the hearings before that committee.

DETAILED STATEMENT OF RAILWAY MAIL PAY UNDER THE PROVISIONS OF THE BILL AS AMENDED.

The following statement shows in detail the different classes of service and the estimated pay for the same under the provisions of the bill as amended and as computed by the Post Office Department. The appropriations for 1915 for railroad transportation and railway post-office cars aggregate \$61,000,000. The statement shows an estimated cost to the Government of slightly in excess of this, but the department will no doubt be able to effect economies so as to not exceed the appropriations.

#### Line cost.

Service.	Car-miles.	Rate per car-mile.	Annual pay.
Railway post office.....	103,295,263	Cents. 21	\$21,692,005
Apartment, 30-foot.....	165,695,629	10½	17,398,041
Apartment, 15-foot.....	75,226,521	5½	4,137,459
Storage.....	51,417,527	20	10,283,505
Total line, miles.....	395,634,940		
Total miles, 60-foot car basis.....	256,367,234	20.87	\$53,511,010

#### Terminal cost.

Service.	Trips one way.	Rate per one-way trip.	Annual pay.
Railway post office.....	343,830	\$4.00	\$1,375,320
Apartment, 30-foot.....	896,022	2.00	1,792,044
Apartment, 15-foot.....	935,234	1.00	935,234
Storage.....	99,593	4.00	398,372
Total.....	2,274,679		
Total trips, 60-foot car basis.....	1,125,242	4.00	\$4,500,970

Service.	Rate per car mile.	Annual pay.
Total line cost (256,367,234 miles).....	Cents. 22.63	\$58,011,980
Closed-pouch, estimate on weight basis.....		2,230,796
Total railroad mail pay (262,367,234 miles) <sup>1</sup> .....	22.96	60,242,776
Periodical matter by freight.....		704,904
Weighing and ascertains.....		50,000
Total.....		60,996,680
Less land-grant deductions.....		1,171,136
Mail pay under provisions of this proposed bill, June 30, 1914.....		59,825,544
Add 4 per cent for fiscal year 1915.....		2,391,022
Mail pay under provisions of this proposed bill, June 30, 1915.....		62,216,566

<sup>1</sup> Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails, equated to a 60-foot car basis.

The rates may be further stated in this form:

Estimated mail compensation under House bill #1042 as last amended.

Car units of service.	Car miles of service per line unit.	Line unit rate per car mile.	Annual line compensation per line unit.	Round trips of service.	Terminal rate per round trip.
Railway post-office cars, 60-foot.....	103,295,263	Cents. 21.00	\$21,692,005	171,915	\$8.00
Apartment cars, 30-foot.....	165,695,629	10.50	17,398,041	448,011	4.00
Apartment cars, 15-foot.....	75,226,521	5.50	4,137,459	467,617	2.00
Storage, 60-foot.....	51,417,527	20.00	10,283,505	49,796½	8.00
Closed-pouch.....			\$2,230,796		
Totals.....	395,634,940			1,137,339½	
Totals pro rated to 60-foot car basis.....	262,367,234	21.24½	\$55,740,806	562,621	8.00

<sup>1</sup> Estimated on weight basis of compensation.

<sup>2</sup> Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails, equated to a 60-foot car basis.



## Estimated mail compensation—Continued.

Car units of service.	Annual amount of terminal compensation.	Total compensation, including both line and terminal compensation.	Total average unit rate per car mile, based on car miles pro rated to 60-foot cars.	Per cent of pay for each service unit to total compensation per cent.
Railway post-office cars, 60-foot.....	\$1,375,320	\$23,067,325	22.33	38.29
Apartment cars, 30-foot.....	1,792,044	19,190,085	23.16	31.86
Apartment cars, 15-foot.....	935,234	5,072,693	26.97	8.42
Storage, 60-foot.....	398,372	10,681,877	20.77	17.73
Closed-pouch.....		2,230,796		3.70
Totals.....		60,242,776		100.00
Totals pro rated to 60-foot car basis...	4,500,970	60,242,776	22.96	

## Mail compensation under House bill 17042, as amended.

Total railroad mail pay.....	\$60,242,776
Periodical matter by freight.....	703,904
Weighing and ascertainment.....	50,000
Total.....	60,996,680
Less land-grant deductions.....	1,171,136
Mail pay under provisions of this proposed bill, June 30, 1914.....	59,825,544
Add 4 per cent for fiscal year 1915.....	2,393,022
Mail pay under provisions of this proposed bill, June 30, 1915.....	62,218,566

## STANDARD SIZES FOR FULL AND APARTMENT CARS.

The recommendation of the department to the joint committee was for the adoption of cars of sizes conforming to those now in use and authorized in the service. The law now authorizes full railway post-office cars of 40, 50, 55, and 60 feet in length. There is no specific payment authorized for apartment cars, but these cars are authorized by the department as they are needed, and in the present service conform to various sizes, ranging from 10 to 30 feet, the usual variation being 5 feet between each principal size.

The advantages of a smaller number of units were presented to the joint committee through the suggestion of Representative LLOYD in the first instance and were extensively discussed by the officers of the department and others who gave testimony before the joint committee. The officers of the department did not at first favor the reduction of the number of units for the reason that such a plan would necessarily require the authorization of more space, particularly in the apartment-car service, than would be immediately needed. The question, however, was approached by the department's officers with open minds, and in order to meet as nearly as consistent with the interest of the public service the views generally insisted upon before the joint committee finally agreed at the hearings before the House Committee on the Post Office and Post Roads to a provision fixing the unit for full cars at 60 feet and for apartment cars at 30 and 15 feet, with a suitable proviso as embodied in the bill which gives the department the opportunity of accepting and paying for a less length of apartment car where the company has a car of less length than the standard size, and such car meets all the needs of the department. Provision is also made for utilizing any surplus space in the full car for the purpose of caring for storage mails. These provisions meet the objections the department originally had against the lesser number of units.

## EXPLANATIONS OF SECTION 13.

Sec. 13. That the Postmaster General is authorized and directed to readjust the compensation to be paid to railroad companies from July 1, 1914, or as soon thereafter as may be practicable, for the transportation and handling of the mails and furnishing facilities and services in connection therewith upon the conditions and at the rates hereinafter provided.

This paragraph authorizes and directs the Postmaster General to readjust the compensation for transporting and handling the mails and furnishing facilities and services under the conditions and at the rates named in the subsequent paragraphs of the bill. This is the usual introductory paragraph of authorization.

The Postmaster General may state railroad mail routes and authorize mail service thereon of the following four classes, namely: Full railway post-office car service, apartment railway post-office car service, storage-car service, and closed-pouch service.

This amended paragraph provides for stating railroad mail routes and for authorizing mail service on such routes of any one or all of the four classes of service named in the paragraph.

Full railway post-office car mail service shall be service by cars 40 feet or more in length, constructed, fitted up, and maintained for the distribution of mails on trains. The authorizations of full railway post-office cars shall be for standard-sized cars 60 feet in length, inside measurement, except as hereinafter provided.

This describes full railway post-office car mail service and fixes a car of 60 feet in length as the standard for authorizations in this class of service, except as otherwise provided on lines 13 to 25, on page 12 of the bill.

Full railway post-office cars are cars exclusively used by the Post Office Department for the carriage of mails and their receipt, distribution, and delivery en route between termini. Their operation requires the hauling of an additional car in the train, and in this respect differs from apartment railway post-office car service, wherein a portion of a baggage car is partitioned off and fitted up for distribution purposes, the remainder of the car being usually occupied and used by the railroad company for its own purposes.

Under the present plan of adjusting compensation for railroad mail service additional compensation beyond that received for the transportation of the mails on a weight basis may be allowed for full railway post-office car service performed in cars 40 feet or more in length at rates varying with the size of car needed and used. The statutes authorizing additional compensation for railway post-office car service, fixing rates of pay therefor, and prescribing the conditions under which such additional compensation may be allowed are contained in sections 1329 to 1333 of the Postal Laws and Regulations, 1913 (Rev. Stat., 4004, and subsequent acts), and reads as follows:

SEC. 1329. Additional pay may be allowed for every line comprising a daily trip each way of railway post-office cars, at a rate not exceeding \$25 per mile per annum for cars 40 feet in length, and \$30 per mile per annum for 45-foot cars, and \$40 per mile per annum for 50 foot cars, and \$50 per mile per annum for 55 to 60 foot cars.

2. After July 1, 1907, additional pay allowed for every line comprising a daily trip each way of railway post-office cars shall be at a rate not exceeding \$25 per mile per annum for cars 40 feet in length, and \$27.50 per mile per annum for 45-foot cars, and \$32.50 per mile per annum for 50-foot cars, and \$40 per mile per annum for cars 55 feet or more in length.

NOTE.—This statute does not authorize a pro rata compensation to be paid for cars which are less than 40 feet in length.

SEC. 1330. All cars or parts of cars used for the Railway Mail Service shall be of such style, length, and character, and furnished in such manner as shall be required by the Postmaster General, and shall be constructed, fitted up, maintained, heated, and lighted by and at the expense of the railroad companies.

NOTE.—This statute supplements Revised Statutes, section 4005. Section 1333 prescribes different articles that shall be included in the equipment of a car.

SEC. 1331. After the 1st of July, 1911, no pay shall be allowed for the use of any wooden full railway post-office car, unless constructed substantially in accordance with the most approved plans and specifications of the Post Office Department for such type of cars, nor for any wooden full railway post-office car run in any train between adjoining steel cars or between the engine and a steel car adjoining, and that hereafter additional cars accepted for this service shall be of steel, or with steel underframe, if used in a train in which a majority of the cars are of like construction: *Provided further*, That after the 1st of July, 1916, the Postmaster General shall not approve or allow to be used or pay for any full railway post-office car not constructed of steel or with steel underframe, if such post-office car is used in a train in which a majority of the cars are of steel or of steel underframe construction.

SEC. 1332. After the 1st of July, 1917, the Postmaster General shall not approve or allow to be used or pay for any full railway post-office car not constructed of steel or steel underframe or equally indestructible material, and not less than 25 per cent of the railway post-office cars of a railroad company not conforming to the provisions of this act shall be replaced with cars constructed of steel annually after June, 1913; and all cars accepted for this service and constructed for by the railroad companies after the passage of this act shall be constructed of steel.

2. No part of this amount shall be paid for the use of any car which is not sound in material and construction and which is not equipped with sanitary drinking-water containers and toilet facilities, nor unless such car is regularly and thoroughly cleaned.

NOTE.—The word "amount" in paragraph 2 refers to the appropriation for railway post-office car service for the fiscal year ending June 30, 1914. Similar provisions were contained in the appropriation acts for the fiscal years 1912 and 1913.

SEC. 1333. \* \* \* When any railroad company fail or refuse to provide railway post-office cars when required by the Post Office Department, or shall fail or refuse to provide suitable safety heaters and safety lamps therefor, with such number of saws and axes to each car for use in case of accident as may be required by the Post Office Department, said company shall have its pay reduced 10 per cent on the rates fixed (by law). \* \* \* (See sec. 1317.)

Apartment railway post-office car mail service shall be service by apartments less than 40 feet in length in cars constructed and fitted up and maintained for the distribution of mails on trains. Two standard sizes of apartment railway post-office cars may be authorized and paid for, namely, apartments 15 feet and 30 feet in length, inside measurement, except as hereinafter provided.

This paragraph describes apartment railway post-office car service and fixes two standard sizes of apartments which may be authorized and paid for—15 and 30 feet in length, respectively. Apartment-car service is the carriage of mails in apart-



ments in cars less than 40 feet in length and the receipt, distribution, and delivery of mails therefrom en route between terminal. Ordinarily the performance of this class of service does not necessitate the operation of an additional car by the railroad company, inasmuch as the apartment is a portion of a baggage car partitioned off and fitted up for postal purposes, the remainder of the car being utilized by the company for the carriage of baggage, express, or other purposes.

Under present law no specific payment is allowed for apartment-car service, it being the theory of the statute that the rates of pay therein fixed for transportation, based on weight, were intended to fully cover the facilities furnished by apartment cars.

The purpose of fixing two standard sizes of apartment cars is to take care of the varying service conditions on different lines. At present there are a number of standard sizes of apartment cars—9 feet, 12 feet, 15 feet, 20 feet, 25 feet, and 30 feet. This bill reduces the number to two sizes, but makes provision further along for payment for cars of lesser length than that authorized at pro rata of the pay for the authorized standard lengths in cases where the company operates such cars and they are deemed adequate for the purposes of the department.

Storage-car mail service shall be service by cars used for the storage and carriage of mails in transit other than by full and apartment railway post-office cars. The authorizations for storage cars shall be for cars 60 feet in length, inside measurement, except as hereinafter provided: *Provided*, That less than 60 feet of storage space may be authorized in baggage cars on trains upon which full railway post-office cars or apartment railway post-office cars are not operated.

The foregoing paragraph defines storage-car mail service, provides that authorizations shall be for cars 60 feet in length, except as otherwise provided, and provides also that less than 60 feet of storage space may be authorized under certain conditions.

Storage-car mail service is the carriage of mails in bulk between large centers, and differs materially from the two classes of service just described. No special type of car is necessary, all the interior fittings that are required being stanchions for separating and piling mails for different deliveries. They carry heavier loads than the full cars and apartment cars, but as the number of points of receipt and delivery is limited as compared with the number of points of receipt and delivery in the full-car and apartment-car services, the handling en route is much less in the case of a storage car.

The purpose of the proviso to the paragraph is to cover cases where a quantity of mail is required to be carried in a baggage car, but which is not sufficient to necessitate the running of a storage car. In such cases the actual space used will be authorized and paid for at pro rata of the rate otherwise fixed in the bill for a 60-foot storage car.

Service by full and apartment railway post-office cars and storage cars shall include the carriage therein of all mail matter, equipment, and supplies for the mail service and the employees of the Postal Service or Post Office Department, as shall be directed by the Postmaster General to be so carried.

This paragraph is virtually a repetition of existing laws and regulations, varying only slightly in language to conform to the provisions of the bill, and is self-explanatory.

Closed-pouch mail service shall be the transportation and handling by railroad employees of mails on trains on which full or apartment railway post-office cars are not authorized, except as hereinbefore provided.

The closed-pouch service, as described in this paragraph, is the transportation and handling of locked pouches and sacks of mail upon trains upon which no railway post-office car service is performed. The mails on such trains are in the charge of railroad employees and are usually limited in amount and weight. It is proposed to continue payment for this class of service upon the weight basis, as providing a more equitable compensation as between trains than the space basis would provide. The amount of this mail carried on different trains varies widely.

Side and transfer mail service shall be the transportation of mails between railroad stations and post offices supplied therefrom and between railroad stations.

The amendment provides for striking out this paragraph—lines 13, 14, and 15 on page 11 of the bill.

The rates of payment for the services authorized in accordance with this act shall be as follows, namely:

For full railway post-office car mail service at not exceeding 21 cents for each mile of service by a 60-foot car.

In addition thereto he may allow not exceeding \$2 as an initial rate and the same as a terminal rate for each one-way trip of a 60-foot car.

For apartment railway post-office car mail service at not exceeding 10½ cents for each mile of service by a 30-foot apartment car, and 5½ cents for each mile of service by a 15-foot apartment car.

In addition thereto he may allow not exceeding \$1 as an initial rate and the same as a terminal rate for each one-way trip of a 30-foot apartment car, and 50 cents as an initial rate and the same as a terminal rate for each one-way trip of a 15-foot apartment car.

For storage-car mail service at not exceeding 20 cents for each mile of service by a 60-foot car.

In addition thereto he may allow not exceeding \$2 as an initial rate and the same as a terminal rate for each one-way trip of a 60-foot car.

This provision, as amended, states the basis for payment for the several classes of service authorized in the bill. It provides car-mile line rates for the haulage of the cars and initial and terminal rates for trips of cars to compensate for the expenses incurred at terminals in maintaining, cleaning, heating, lighting, and loading the cars. The line rate for full railway post-office cars is fixed at not exceeding 21 cents for each car-mile of service of a 60-foot car, and the initial and terminal rate at not exceeding \$4 for each one-way trip of a 60-foot car, or \$8 for the round trip. The apartment-car line and terminal rates are fixed at pro rata of the rates for full cars, except that in the case of 15-foot apartments the line rate is made a quarter of a cent higher. The storage-car line rate is stated at not exceeding 20 cents for each 60-foot car-mile of service and the terminal rates at not exceeding \$4 for a one-way trip of a 60-foot car, or \$8 for the round trip.

After the department had submitted evidence as to the cost to the railroad companies of transporting the mails and it was found that an effort to ascertain this cost periodically and base the mail pay thereon would be extremely difficult, and it having appeared that the ascertained cost per car-mile of service was less than the average revenue for a passenger car-mile, a suggestion was made to the joint committee which met with general approval, that the revenue for a passenger car-mile be taken as the basis for a mail rate and that such passenger car-mile revenue be appropriately reduced for that purpose.

It has been ascertained by the Interstate Commerce Commission that the average passenger car-mile revenue for the railroads reporting in 1911 was a little more than 25 cents. It was suggested that the difference between the mail service and the passenger service might be expressed by 10 per cent in the passenger car-mile revenue. Ten per cent from the 25 cents would leave 22½ cents as a mail rate. This bill provides on the average 22.96 cents, including all classes of service.

The line rate of 21 cents—exclusive of the terminal rate—has been fixed for a 60-foot full railway post-office car and a pro rata of the same rate has been provided for space in apartment cars, except that in the case of 15-foot apartments the line rate is made a quarter of a cent higher. The apartment cars are fitted up and furnished practically the same as the full cars. An apartment car is one which is ordinarily run by the railroad company for its own purposes—that is, they take a baggage car and partition off a certain part for the use of the Post Office Department and ordinarily use the remainder for their own purposes. This would suggest a lower rate than pro rata for the portion assigned to the mail service. However, it is claimed that under some circumstances the companies are compelled to furnish an additional car where the department only needs a part of it. Therefore it seems a fair compromise to give a rate proportional to the full-car rate for the apartment furnished, and the committee believed that in consideration of the small railroads the rate on 15-foot apartments might be made a little higher.

For the storage car the bill provides a line rate of 20 cents a car mile (exclusive of the terminal rate). This is 1 cent a car mile less than the rate for a full railway post-office car. A storage car is not one which is fitted up, furnished, and maintained in the same manner and for the same purposes as a full car. It does not have to be heated, iced, and cleaned as does a full car, nor is it fitted up with distribution cases as such a car is. Furthermore, the service performed by the railroad company in handling the mails that are carried in a storage car is much less than that performed in handling mails which are worked in a distribution car and received and delivered at every station on the line.

In addition to the line rate on the storage cars an initial and terminal charge is provided for, which covers the cost of switching the car, cleaning and lighting it, and loading and unloading the mails at the terminals.

The terminal rate for full cars and apartment cars are uniform, the apartment-car rates being pro rata of those fixed for the full car; the rate for storage cars is the same as for full cars.

Where authorizations are made for cars of the standard lengths of 60, 30, and 15 feet, as provided by this act, and the railroad company is unable to furnish such cars of the length authorized, but furnishes cars of lesser length than those authorized, but which are determined by the department to be sufficient for the service, the



Postmaster General may accept the same and pay only for the actual space furnished and used, the compensation to be not exceeding pro rata of that provided by this act for the standard length so authorized: *Provided*, That the Postmaster General may accept cars and apartments of greater length than those of the standard requested, but no compensation shall be allowed for such excess lengths.

The purpose of this provision is to assist in adapting the provision of the new law to existing conditions in the service. Under the practices heretofore followed, cars of a great variety of lengths have been constructed by the companies and are still in the service. It has only been within the past few years that uniformity in such matters has obtained to any extent. It seems probable that it may not be practicable in every case for a company to furnish the standard-sized car that may be authorized upon a train, but it possesses a car of greater or lesser length which is sufficient for the needs on that train and prefers to operate such car rather than incur the expense of constructing a new car of the authorized size. This provision authorizes the Postmaster General to accept such cars and pay for their operation at pro rata of the rates allowable for the authorized length in the case of cars of lesser length run. For cars run of greater length than needed it is provided that no compensation shall be paid for the excess lengths.

For closed-pouch service on routes upon which closed-pouch service only is performed, at not exceeding the rates of compensation provided by existing law for average daily weights of mail carried over the whole route; on routes upon which apartment railway post-office car and closed-pouch services are performed, at not exceeding \$20 per mile per annum for each 2,000 pounds average daily weight of mails carried, and at pro rata of such rate of compensation for each 100 pounds of average daily weight greater or less than 2,000 pounds; and on routes upon which full railway post-office car and closed-pouch services or full railway post-office car, apartment-car, and closed-pouch services are performed, at not exceeding \$19 per mile per annum for each 2,000 pounds average daily weight of mails carried and at pro rata of such rate of compensation for each 100 pounds of average daily weights greater or less than 2,000 pounds, the average daily weights to be ascertained in every case by the actual weighing of the mails.

This provides for payment for closed-pouch service. As amended it provides for paying the present rates for weights of mails carried on routes upon which closed-pouch service alone is performed—that is, where there is no full or apartment car service. On routes upon which apartment railway post office and closed-pouch services are performed, and those upon which full railway post office car service and closed-pouch service, or full railway post-office, apartment-car, and closed-pouch services are performed, it provides for paying practically the present rates—that is, \$20 per mile per annum for each 2,000 pounds average daily weight in the first case and \$19 per mile per annum for each 2,000 pounds average daily weight in the second case. These are the average of top rates now paid for weights carried on these two classes of routes.

For side and transfer mail service the Postmaster General is authorized to provide, in his discretion, by regulation screen or other wagon, automobile, or mail messenger service under existing law, or to contract with the railroad company, after advertisement, for the performance of any or all service on its route. Postmasters at post offices of the third and fourth classes shall be eligible as contractors for this service.

The amendment strikes out all of lines 20, 21, 22, 23, 24, and 25 on page 13 and lines 1 and 2 on page 14, and substitutes in lieu thereof the following:

The Postmaster General may require railroad companies carrying the mails to deliver them into and take them from the terminal and intermediate post offices and transfer them between railroad stations on their routes without additional compensation, under such regulations as he may deem proper, in cases where he does not provide for such service otherwise; and the Postmaster General may relieve the railroads of such service in his discretion.

The amended provision continues the present laws and regulations with respect to the performance of side, transfer, and terminal mail messenger service, and authorizes the Postmaster General to relieve the small roads of this service when its cost to them is burdensome.

Railroad companies whose railroads were constructed in whole or in part by a land grant made by Congress, on the condition that the mails should be transported over their roads at such price as Congress should by law direct, shall receive only 80 per cent of the compensation otherwise authorized by this act.

This amended provision is the same as existing law in every respect. The present law, however, only applies to the compensation for transportation, while this provision covers all rail mail service.

The initial and terminal rates provided for herein shall cover expenses of loading and unloading mails, switching, lighting, heating, cleaning mail cars, and all other expenses incidental to station service and required by the Postmaster General in connection with the mails that are not included in the car-mile rate. The allowance for full railway post-office cars, apartment railway post-office cars, and storage cars may be varied in accordance with the approximate difference in their respective cost of construction and maintenance.

This defines the expenses to be covered by the initial and terminal rates provided by the bill, and provides that such rates

applicable to the several classes of cars may be varied in accordance with their respective difference in cost.

For the purpose of ascertaining the average weight of closed-pouch mails per day upon which to adjust compensation, the Postmaster General is authorized and directed to have such mails carried on the several routes weighed by the employees of the Post Office Department for such a number of successive days, not less than 35, at such times after July 1, 1914, as he may direct, and not less frequently than once in every year thereafter, the result to be stated and certified in such form and manner as he may direct. In computing the average weight of mails per day carried on a railroad route, the whole number of days included in the weighing period shall be used as a divisor. The expenses of taking the weights of mails and the compensation to tabulators and clerks employed in connection with the weighings, for assistance in completing computations, and of rental, if necessary, in Washington, D. C., shall be paid out of the appropriation for inland transportation by railroad routes.

This paragraph makes provision for taking the weights of mails on closed-pouch trains for the purpose of ascertaining the average daily weight upon which to base rate of compensation. It is similar in terms to the present law, except that it provides for an annual instead of a quadrennial weighing, for a period of 35 instead of 90 days, and fixes the whole number of days in the weighing period as the divisor in computing the average daily weight. This is the same rule regarding the divisor that is now applied, and has been sustained by the Court of Claims.

In computing the car miles of the full railway post-office cars and apartment railway post-office cars, the maximum space authorized in either direction of a round-trip car run shall be regarded as the space to be computed in both directions, unless otherwise mutually agreed upon.

This provision is a recognition of the equity and justice of the claim that where the department requires a full car, or a part of a car, to be fitted up and furnished and placed in a railroad train and operated for the purposes of the department, that it should pay for the return movement of the car, if it be not used by the railroad company.

In computing the car miles of storage cars, the maximum space authorized in either direction of a round-trip car run shall be regarded as the space to be computed in both directions, unless the car be used by the company in the return movement, or otherwise mutually agreed upon.

Under the present weight basis of compensation the railroads receive pay for the weight carried in storage cars on any given route fixed in accordance with the average daily weight on the route, determined by weights taken during the weighing period of 105 days. As the preponderance of the mail movement is usually in a westerly or southerly direction, the empty return movement of storage cars to the east and north is considerable. It is claimed by the railroads that it is not practicable in many cases to make use for their purposes such cars, and that their return empty to point of origin is necessary to maintain the service. In line with the principle recognized in the preceding paragraph with respect to full and apartment car movement, it seems logical and equitable to make provision to pay for storage-car service in both directions, unless the company uses the car for its own purposes in the return movement, it being ascertained that the returning cars are utilized to some extent by the companies for services other than mail.

It will, no doubt, be found practicable to utilize the empty return storage cars for the shipment of empty equipment, postal supplies, and so forth, particularly the former, which naturally moves in greatest volume in the direction in which the empty storage cars are being returned.

New service and additional service may be authorized at not exceeding the rates herein provided, and service may be reduced or discontinued with pro rata reductions in pay, as the needs of the Postal Service may require: *Provided*, That no additional pay shall be allowed for additional closed-pouch service on established routes until the next regular readjustment of pay therefor on such routes, and no additional pay shall be allowed for additional car service unless specifically authorized by the Postmaster General.

The paragraph is to make provision for payment for new and additional service and for suitable pro rata reductions in pay for reduced or discontinued service, and is necessary in the administration of the plan.

All cars, or parts of cars, used for the railroad mail service shall be of such construction, style, length, and character, and furnished in such manner as shall be required by the Postmaster General, and shall be constructed, fitted up, maintained, heated, lighted, and cleaned by and at the expense of the railroad companies. No pay shall be allowed for service by any railway post-office car which is not sound in material and construction, and which is not equipped with sanitary drinking-water containers and toilet facilities, nor unless such car is regularly and thoroughly cleaned. No pay shall be allowed for service by any wooden full railway post-office car unless constructed substantially in accordance with the most approved plans and specifications of the Post Office Department for such type of cars, nor for service by any wooden full railway post-office car run in any train between adjoining steel cars, or between the engine and a steel car adjoining. After the 1st of July, 1917, the Postmaster General shall not approve or allow to be used, or pay for service by, any full railway post-office car not constructed of steel or steel underframe, or equally indestructible material, and not less



than 25 per cent of the full railway post-office cars of a railroad company not conforming to these provisions on August 24, 1912, shall be replaced with cars constructed of steel annually after June, 1913; and all full railway post-office cars accepted for this service and contracted for by the railroad companies hereafter shall be constructed of steel. Until July 1, 1917, in cases of emergency and in cases where the necessities of the service require it, the Postmaster General may provide for service by full railway post-office cars of other than steel or steel underframe construction, and fix therefor such rate of compensation within the maximum herein provided as shall give consideration to the inferior character of construction, and the railroad companies shall furnish service by such cars at such rates so fixed.

The foregoing provision relating to the construction, heating, cleaning, lighting, and sanitation of cars is a reproduction of the existing laws on the subject, with the exception of that part beginning with the word "until," in line 9 of page 17, and continuing to the end of the paragraph, which is new, and which is added for the purpose of authorizing the Postmaster General to secure adequate service in emergencies when the regular equipment is insufficient to meet the needs of the service, as during the holiday season. For the laws now in force, see statement under paragraph relating to railway post-office cars.

Service over property owned or controlled by another company or a terminal company shall be considered service of the railroad company using such property and not that of the other or terminal company: *Provided*, That service over a land-grant road shall be paid for as herein provided.

The purpose is to provide for authorizing service at these rates into the large terminals such as New York, Washington, Boston, Chicago, or St. Louis, and it avoids the necessity for paying an exorbitant rate to a terminal company to get the mails into a large city.

Railroad companies carrying the mails shall furnish all necessary facilities for caring for and handling them while in their custody. They shall furnish all cars or parts of cars used in the transportation and distribution of the mails, except as is herein otherwise provided, and place them in stations before the departure of trains at such times and when required to do so. They shall provide station space and rooms for handling, distribution, and transfer of mails in transit, and for offices and rooms for the employees of the Postal Service engaged in such transportation, when required by the Postmaster General.

In this paragraph are combined existing laws and regulations regarding the services to be required of the railroad companies in connection with mail service.

The present laws and regulations are as follows:

SEC. 1330. All cars or parts of cars used for the Railway Mail Service shall be of such style, length, and character, and furnished in such manner, as shall be required by the Postmaster General, and shall be constructed, fitted up, maintained, heated, and lighted by and at the expense of the railroad companies.

NOTE.—This statute supplements Revised Statutes, section 4005. Section 1333 prescribes different articles that shall be included in the equipment of a car.

SEC. 1341. The rate of compensation for the transportation of mail on railroads is computed upon the average weight of mail per day carried the whole length of the route. It is essential that the mail be carried with due frequency and speed; also that suitable apartments, equipped with necessary fixtures and furniture, properly lighted and heated, provided with ice water, and built in accordance with plans and specifications furnished by the General Superintendent of Railway Mail Service, shall be provided for railway postal clerks to accompany and distribute the mail when required.

2. Railroad companies, at stations where transfer clerks are employed, shall provide suitable and sufficient rooms for handling and storing the mails, and without specific charge therefor. These rooms shall be lighted, heated, furnished, supplied with ice water, and kept in order by the railroad company.

3. The specific requirements of the service as to due frequency and speed, space required on trains or at stations, fixtures, furniture, etc., shall be determined by the Post Office Department and made known through the General Superintendent of Railway Mail Service.

Every railroad company carrying the mails shall carry on any train it operates and without extra charge therefor the persons in charge of the mails, and when on duty and traveling to and from duty, and all duly accredited agents and officers of the Post Office Department and the Postal Service, while traveling on official business, upon the exhibition of their credentials.

This paragraph expresses the present laws and regulations governing the duty of the railroad companies in the transportation of persons in charge of the mails and agents and officers of the department while traveling on official business.

The laws and regulations are as follows:

SEC. 1337. Every railway company carrying the mail shall carry on any train which may run over its road, and without extra charge therefor, all mailable matter directed to be carried thereon, with the person in charge of the same.

NOTE.—This section contemplates the carrying of mails on any train with or without an employee of the Postal Service in charge.

SEC. 1330. Railroad companies are required to convey upon any train, without specific charge therefor, all mail bags, post-office blanks, stationery, supplies, and all duly accredited agents of the Post Office Department and post-office inspectors upon the exhibition of their credentials.

If any railroad company carrying the mails shall fail or refuse to provide cars or apartments in cars for distribution purposes when required by the Postmaster General, or shall fail or refuse to construct, fit up, maintain, heat, light, and clean such cars and provide such appliances for use in case of accident as may be required by the Postmaster General, it shall be fined such reasonable sum as may, in the discretion of the Postmaster General, be deemed proper.

This provision corresponds with existing law, with the exception that the latter fixes the penalty with respect to full railway post-office cars at 10 per cent of the rates "hereinafter provided," and that has been construed to mean the rates fixed by law for transportation.

The present law is expressed in section 1333 of the Postal Laws and Regulations, as follows:

SEC. 1333. \* \* \* When any railroad company fail or refuse to provide railway post-office cars when required by the Post Office Department, or shall fail or refuse to provide suitable safety heaters and safety lamps therefor, with such number of saws and axes to each car for use in case of accident as may be required by the Post Office Department, said company shall have its pay reduced 10 per cent on the rates fixed (by law) \* \* \*. (See sec. 1317.)

The Postmaster General shall in all cases decide upon what trains and in what manner the mails shall be conveyed. Every railroad company carrying the mails shall carry on any train it operates and with due speed all mailable matter, equipment, and supplies directed to be carried thereon. If any such railroad company shall fail or refuse to transport the mails, equipment, and supplies when required by the Postmaster General on any train or trains it operates, such company shall be fined such reasonable amount as may, in the discretion of the Postmaster General, be deemed proper.

Several provisions of existing law are comprised in this paragraph, slightly modified, and with a provision added providing that the Postmaster General shall fine railroad companies such reasonable amount for failure or refusal of such companies to comply with the requirements as he deems proper.

The laws and regulations are as follows:

SEC. 1336. The Postmaster General shall, in all cases, decide upon what trains and in what manner the mails shall be conveyed.

SEC. 1337. Every railway company carrying the mail shall carry on any train which may run over its road, and without extra charge therefor, all mailable matter directed to be carried thereon, with the person in charge of the same.

NOTE.—This section contemplates the carrying of mails on any train with or without an employee of the Postal Service in charge.

SEC. 1338. \* \* \* If any railroad company shall fail or refuse to transport the mails, when required by the Post Office Department, upon the fastest train or trains run upon said road, said company shall have its pay reduced 50 per cent of the amount provided by law.

SEC. 1486. The Postmaster General may make deductions from the pay of contractors for failures to perform service according to contract and impose fines upon them for other delinquencies. He may deduct the price of the trip in all cases where the trip is not performed, and not exceeding three times the price if the failure be occasioned by the fault of the contractor or carrier.

The Postmaster General may make deductions from the pay of railroad companies carrying the mails under the provisions of this act for reduction in service or in frequency of service where, in his judgment, the importance of the facilities withdrawn or reduced requires it and impose fines upon them for delinquencies. He may deduct the price of the value of the service in cases where it is not performed, and not exceeding three times its value if the failure be occasioned by the fault of the railroad company.

This paragraph substantially follows the present law relating to fines and deductions, which is contained in section 3962, Revised Statutes, as follows:

The Postmaster General may make deductions from the pay of contractors for failures to perform service according to contract and impose fines upon them for other delinquencies. He may deduct the price of the trip in all cases where the trip is not performed, and not exceeding three times the price if the failure be occasioned by the fault of the contractor or carrier.

The proposed paragraph relates specifically to railroad mail service and will not repeal the present law so far as other mail transportation service is concerned.

The provisions of this act shall apply to service operated by railroad companies, partly by railroad and partly by steamboats.

This is the same as existing law and is necessary to cover certain cases where service on a route is by rail and water.

The existing law is expressed in section 1315 of the Postal Laws and Regulations, as follows:

SEC. 1315. The Postmaster General shall arrange the railway routes on which the mail is carried, including those in which the service is partly by railway and partly by steamboat, into three classes, according to the size of the mails, the speed at which they are carried, and the frequency and importance of the service, so that each railway company shall receive, as far as practicable, a proportionate and just rate of compensation, according to the service performed.

The provisions of this act respecting the rates of compensation shall not apply to mails conveyed under special arrangement in freight trains, for which rates not exceeding the usual and just freight rates may be paid, in accordance with the classifications and tariffs approved by the Interstate Commerce Commission.

This provides for the continuance of what is known as the blue-tag mails—that is, the periodical mails of second class that are transported in fast freight trains in carload lots between certain large cities.

This method of transporting periodical mail published less frequently than weekly and which does not carry news matter, where it can be handled in carload lots between the large centers of the second and third contract sections, has proven entirely practicable and satisfactory, and saves approximately \$1,500,000 a year on railroad mail pay.

Railroad companies carrying the mails shall submit under oath, when and in such form as may be required by the Postmaster General, evidence as to the performance of service.



This paragraph provides for the rendering and submission under oath of evidence of the performance of service, and conforms to the present practice and regulation.

The Postmaster General is authorized to employ such clerical and other assistance as shall be necessary to carry out the provisions of this act, and to rent quarters in Washington, D. C., if necessary, for the clerical force engaged thereon, and to pay for the same out of the appropriation for inland transportation by railroad routes.

This is the present law, modified so as to apply to the purposes of the proposed law. The present act provides that he may employ special assistance and rent quarters in Washington, in connection with the readjustments of pay based on the results of the weighings, and this provision is intended to accomplish the same purpose.

The law is as follows:

Out of the appropriation for inland mail transportation the Postmaster General is authorized hereafter to pay rental if necessary in Washington, D. C., and compensation to tabulators and clerks employed in connection with the weighings for assistance in completing computations, in connection with the expenses of taking the weights of mails on railroad routes, as provided by law. (Act of March 4, 1911; 36 Stat., 1334.)

The Postmaster General shall, from time to time, request information from the Interstate Commerce Commission as to the revenue received by railroad companies from express companies for services rendered in the transportation of express matter, and may, in his discretion, arrange for the transportation of mail matter other than of the first class at rates not exceeding those so ascertained and reported to him, and it shall be the duty of the railroad companies to carry such mail matter at such rates fixed by the Postmaster General.

This provision is directed to the ascertainment of a rate which the railroad companies would derive from the carrying of express matter that is analogous in character and method of transporting to mail matter. In other words, it provides that the Postmaster General may secure from the Interstate Commerce Commission, from time to time, information as to the revenue which railroad companies receive from express companies for carrying matter analogous and similar to mail matter and under similar conditions.

The Postmaster General is authorized, in his discretion, to petition the Interstate Commerce Commission for the determination of a postal carload or less-than-carload rate for transportation of mail matter of the fourth class and periodicals, and may provide for and authorize such transportation, when practicable, at such rates, and it shall be the duty of the railroad companies to provide and perform such service at such rates and on the conditions prescribed by the Postmaster General.

This provision is intended to give the Postmaster General authority to secure carload and less-than-carload rates for the transportation of fourth-class matter and on periodicals, and to arrange for carload or less-than-carload shipments of such matter and their transportation at such rates.

The Postmaster General may, in his discretion, distinguish between the several classes of mail matter and provide for less frequent dispatches of mail matter of the third and fourth classes and periodicals, when lower rates for transportation or other economies may be secured thereby without material detriment to the service.

The purpose of this paragraph is to enable the Postmaster General to secure a lower rate for a less frequent movement of a car carrying parcel-post or periodical matter. The department might be able to arrange for a faster movement than freight for a carload lot of matter and a less frequent movement than on every train that travels. Now, the policy is to put mail on every train that runs, and, so far as parcel post is concerned, there is no necessity for doing that. If there is reasonable frequency between points in the carriage of parcel post, that is all the public would ask for. If a movement of this kind can be secured at a less rate under those conditions it would be very desirable.

The Postmaster General is authorized to return to the mails, when practicable for the utilization of car space paid for and not needed for the mails, postal cards, stamped envelopes, newspaper wrappers, empty mail bags, furniture, equipment, and other supplies for the Postal Service.

In the storage-car movement there will be cases where cars will come back practically empty, as, for instance, between New York and Chicago, where they go out from New York loaded and come back empty. Unless an agreement is secured from the railroad company for payment in one direction only or unless the company itself uses that car coming back, the department must pay for the return movement, and it is proposed to utilize such empty return movement for the carriage of empty equipment and supplies moving in the direction of the light movement of mail. This provision will enable the department to put the equipment that ordinarily would go by freight into these cars, thus utilizing the otherwise unused return empty space and save freight charges. By this means probably the larger part of appropriation for freight on empty equipment of \$510,000 may be saved.

The Postmaster General, in cases of emergency between October 1 and April 1 of any year, may hereafter return to the mails empty mail bags and other equipment theretofore withdrawn therefrom as required

by law, and, where such return requires additional authorization of car space under the provisions of this act, to pay for the transportation thereof as provided for herein out of the appropriation for inland transportation by railroad routes.

This is the present law permitting the return to the mails, in cases of emergency, of empty mail bags and other equipment, except that it changes the period during which such action may be taken from November 15 to January 15 of any year to from October 1 to April 1 of any year. This extension is believed advisable in order to provide for emergencies that may arise during the winter season, when the mails are unusually heavy.

The law on the subject now reads as follows:

SEC. 1317, par. 9. The Postmaster General shall require, when in freightable lots and whenever practicable, the withdrawal from the mails of all postal cards, stamped envelopes, newspaper wrappers, empty mail bags, furniture, equipment, and other supplies for the postal service, except postage stamps, in the respective weighing divisions of the country, immediately preceding the weighing period in said divisions, and thereafter such postal cards, stamped envelopes, newspaper wrappers, empty mail bags, furniture, equipment, and other supplies for the postal service, except postage stamps, shall be transmitted by either freight or express.

And the Postmaster General in cases of emergency, between November 15 and January 15 of any year, may hereafter return to the mails empty mail bags theretofore withdrawn therefrom as required by law, and for such times may pay for their railroad transportation out of the appropriation for inland transportation by railroad routes at not exceeding the rate per pound per mile as shown by the last adjustment for mail service on the route over which they may be carried, and pay for necessary cartage out of the appropriation for freight or expressage.

The Postmaster General may have the weights of mail taken on railroad mail routes and computations of the average loads of the several classes of cars and other computations for statistical and administrative purposes made at such times as he may elect, and pay the expense thereof out of the appropriation for inland transportation by railroad routes.

This provision is self-explanatory and extends authority to the Postmaster General to collect and tabulate statistics for administrative purposes and to pay the expense thereof.

It shall be unlawful for any railroad company to refuse to perform mail service at the rates of compensation provided by law when and for the period required by the Postmaster General so to do, and for every such offense it shall be fined not exceeding \$5,000.

Land-grant railroads are under perpetual contract with the Government to carry the mails. Congress has not specifically legislated requiring other railroads to carry the mails. It not infrequently occurs that railroad companies other than land-grant companies threaten the Post Office Department to refuse to carry the mails under the present conditions and rates prescribed by law. Sometimes these threats come from companies operating large mail service. In other instances they are from smaller lines. In every case the Postmaster General and the officers in immediate charge of railroad mail service under him have difficulty in inducing the companies to continue the service, and in some cases, where the refusal is absolute, the department is put to great inconvenience and large expense to supply a substitute service, which is never satisfactory to the patrons of the mails. These instances of threat and refusal have become more frequent in recent years as railroad attorneys and agents and those advocating higher rates of pay for railroad service have induced the managements to believe that they should receive more money for service.

The rates should be made adequate, as they are believed to be in this bill, and Congress should provide that it is the duty of railroad companies to carry the mails.

The Constitution confers upon Congress the right to establish post offices and post roads. Congress has declared all railroads to be post roads. The carriage of the mails is a governmental function, and the Supreme Court has decided that a railroad carrying the mails is performing a governmental function and is an agency of the Post Office Department. The courts have also decided that railroads, in carrying the mails, are not acting as common carriers. Nevertheless, they enjoy certain high privileges and rights which are conferred upon them by State legislatures and are amenable to the Federal Government in the matter of interstate commerce. It should not be possible that they may refuse to act for the Government in the carriage of the mails. Under the powers conferred by the Constitution upon Congress with respect to mails and the postal establishment, it would seem to be clear that it is competent for that body to make the carriage of the mails obligatory upon the railroads.

SEC. 14. That the unexpended balances of the appropriations for inland transportation by railroad routes and for railway post-office car service, by the act of March 9, 1914, making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes, are hereby available for the purposes of this act.

This paragraph makes the unexpended balances of the appropriations for 1915 for inland transportation by railroad routes and for railway post-office car service applicable to the provision of this bill.



These appropriations are as follows:

For inland transportation by railroad routes.....	\$56,188,000
For railway post-office car service.....	5,412,000
Total.....	61,600,000

SEC. 15. That all laws or parts of laws inconsistent herewith are hereby repealed.

The usual repealing clause of laws or parts of laws inconsistent with the provision of the bill.

#### EXPLANATION OF AMENDMENTS.

The bill as reported from the committee provides that the railroad companies shall be relieved from side and terminal service where now performing it and that the department shall make provision for it. The department estimates that this will cost it \$2,118,000 for the fiscal year 1915. However, I understand that the railroad companies have claimed before the joint committee that it does not cost them more than \$500,000 to take care of this service.

If this be true, I see no ample justification for shifting the burden to the Government at an increased cost. It appears to me to be entirely consistent to leave this side and terminal service with the railroad companies.

There are those who are insisting upon higher rates of pay for the line service of postal and storage cars than those which are reported in the bill from the committee. Among these are members of the joint committee, although they have not yet made a formal report nor submitted a bill. The officers of the Post Office Department feel that the rates reported in the bill are amply justified by the facts, and I myself feel that the railroad mail pay as it now exists is high enough. There is, however, a spirit of cooperation which prompts an endeavor to meet the views expressed, providing the public interest is not sacrificed.

I propose to offer amendments, therefore, which will leave the side and terminal service where it is now and continue its performance by the railroad companies, as it can be performed by them more economically than by the Government, giving authority, however, to the Postmaster General to relieve the small roads of the performance of that service where the cost of the same is a substantial burden to them, and also to offer other amendments which add 1 cent to the line rate for 60-foot railway post-office cars, a half cent to the line rate for 30-foot apartment cars, that being a proportional increase, and a half cent to the line rate for 15-foot apartment cars, that being a quarter of a cent in excess of the proportional part, and to also add 2 cents to the line rate for a 60-foot storage car. On the closed-pouch service the bill provides for 95 per cent of the present rate for certain lines. The amendments will restore the full rate for these lines in consideration of the endeavor to assist the small roads as much as practicable, consistent with public interest. These amendments are agreed to by the committee.

These changes will, according to the estimate of the department, and allowing 4 per cent for increase for additional facilities for the fiscal year 1915, make a cost to the Government for railroad mail pay of \$62,218,566. The appropriation for the service for 1915, including both transportation and car pay, is \$61,600,000. Consequently this estimate is \$618,566 in excess of the appropriations made. The department hopes to effect economies which will bring the cost within the appropriation.

#### APARTMENT-CAR RATES.

The department submitted its recommendation to the joint committee for a proportionately lower rate on apartment cars than on full cars, and insisted upon this difference at the hearings before that committee on the ground that the apartment furnished by the railroads to the department for mail service is a part of a car—usually a baggage car—which the railroad company runs for its own convenience, using for its own purposes the remainder of the car, while a full car is one which the company furnishes for the entire use of the department and does not use any of it for its own purposes.

However, it was claimed by the railroads that at times they were compelled to furnish an additional car to the train to fill the requirements of the department for apartment space. It was also argued before the joint committee that the whole-sale and retail principle should apply to apartment-car service, and that therefore the department should pay a proportionately higher rate for apartments in cars than for the same space in full cars. These higher rates have been urged upon the department by members of the joint committee, and in consideration of these representations the department agreed to make the rates for apartment-car service proportionately the same as for full-car service—that is, one-half the rate for a 30-foot apartment as for a full 60-foot car and one-fourth the rate for a 15-foot apartment as for a full 60-foot car—and the present bill reported from the Committee on the Post Office and Post Roads adopted that principle.

However, further consideration of this matter by the committee has resulted in increasing the line rate for 15-foot apartments slightly above pro rata, adding one-fourth per cent a car mile more than the proportional part of the 21 cents for the full car. This was done in consideration of the small lines, where the only car service would be but a small apartment.

#### APPENDIX A.

##### PUBLISHED RATES CREDITED TO THE COMMITTEE.

The joint committee considering this matter have not yet made an official report. However, in the Railway Age Gazette of June 12, 1914, a periodical published in the interest of railroads, there is a statement purporting to give rates which are favored by the committee. This statement includes the following:

The bill establishes four standards for compensation. The first unit is the 60-foot car, the second the 30-foot car or compartment, the third the 15-foot compartment, and the fourth the closed-pouch service. The rates are based on two elements, covering two distinct services. The first is the line charge, based on the car mile, the other the terminal charge, covering loading and unloading, cleaning cars and switching, for each of which operations a sum fixed by the law will be paid in addition to the line charge. For a 60-foot car the rate will be 21 cents a mile, and there will be a terminal or transfer charge of \$8.50 the round trip; a 30-foot car, 11 cents per car mile and \$5.50 the round trip; a 15-foot car, 6 cents per car mile and \$4.20 the round trip; closed-pouch space, 3 cents per car mile and \$1.20 per round trip.

The article referred to states, further, that these are the features of the "Bourne committee" and that they are embodied in a bill introduced in the House by a member of that committee on June 4 and are the results of the committee's deliberations. While no such bill has been introduced in the House and it is understood the Member who is credited with its introduction disclaims all responsibility for the article, it is further understood that the information was given out to the press by the chairman of that committee in anticipation of the introduction of a bill. A computation has been made by the department as to the effect on railroad mail pay of these rates. The result shows that for the same items mentioned in the department's estimate of cost under the bill before the House the cost to the Government would be \$73,642,193 under the terms published in this statement. They would pay a rate of 26.43 cents a car mile for the equivalent of a 60-foot car for the line and terminal service. This is 1 cent a car mile higher than the estimated average revenue for a car mile in the passenger service for 1911 and 1.51 cents higher than for 1912. This is \$12,042,193 more than the appropriation for the service for 1915.

The detailed statement of the application of these rates is given in the following table. These rates, however, are not approved by the House members of the Joint Committee on Railway Mail Pay:

Estimated mail compensation at rates shown in Railway Age Gazette of June 12, 1914, page 1341, as the report of the joint committee to investigate railway mail pay.

Car units of service.	Car miles of service per line unit.	Line unit rate per car mile.	Annual line compensation per line unit.	Round trips of service.	Terminal rate per round trip.
Railway post-office cars, 60-foot.....	103,295,263	21.00	\$21,692,005	171,915	\$8.50
Apartment cars, 30-foot.....	165,095,629	11.00	18,226,519	448,011	5.50
Apartment cars, 15-foot.....	75,236,521	6.00	4,513,591	467,617	4.20
Storage, 60-foot.....	51,417,527	21.00	10,797,681	49,796	8.50
Closed pouch.....	164,817,446	3.00	4,944,523	2,385,979	1.20
Totals.....	560,452,386			3,523,318	
Totals pro rated to 60-foot car basis.....	262,367,231	22.03	60,174,319	562,621	16.31

Car units of service.	Annual amount of terminal compensation.	Total compensation, including both line and terminal compensation.	Total average unit rate per car mile based on car miles pro rated to 60-foot cars.	Per cent of pay for each service unit to total compensation per cent.
Railway post-office cars, 60-foot.....	\$1,461,278	\$23,153,283	22.41	33.39
Apartment cars, 30-foot.....	2,464,060	20,640,579	24.97	29.83
Apartment cars, 15-foot.....	1,963,991	6,477,582	34.44	9.34
Storage, 60-foot.....	423,270	11,220,951	21.82	16.18
Closed pouch.....	2,863,175	7,807,638	130.13	11.26
Totals.....		63,350,033		100.00
Totals pro rated to 60-foot car basis.....	9,175,774	63,350,033	26.43	

\* Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails equated to a 60-foot car basis.



## Mail compensation at joint committee rates shown above.

Total railroad mail pay	\$69,350.093
Periodical matter by freight	703,904
Weighting and ascertainment	50,000
Total	70,103,997
Less land-grant deductions	1,331,522
Mail pay under provisions of this proposed bill, June 30, 1914	68,772,475
Add 4 per cent for fiscal year 1915	2,750,900
Mail pay under provisions of this proposed bill, June 30, 1915	71,523,375

## APPENDIX B.

POST OFFICE DEPARTMENT,  
SECOND ASSISTANT POSTMASTER GENERAL,  
Washington, July 9, 1914.

Hon. JOHN A. MOON,  
Chairman Committee on the Post Office and Post Roads,  
House of Representatives.

MY DEAR JUDGE: Complying with your request, I hand you herewith statements showing, first, annual rate of expenditure for railroad transportation from 1873 to 1914, inclusive; second, annual rate of expenditure for railway post-office cars from 1879 to 1914, inclusive; and, third, annual rate of expenditure for railroad transportation and railway post-office cars combined from 1873 to 1914, inclusive.

It will be noticed that from 1873 to 1878, inclusive, the expenditures for railway post-office car service were included in the appropriation for railroad transportation. They were first stated separately in the appropriation act for the fiscal year 1880.

Sincerely, yours,

JOSEPH STEWART,  
Second Assistant Postmaster General.

## INCREASE IN ANNUAL RATE OF EXPENDITURE.

The table following indicates the increase or decrease, by years, in the annual rate of expenditure for the transportation of the mail by railroad:

Annual rate of expenditure for railroad transportation from 1873 to 1914, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1873	\$7,257,196.00		
1874	9,113,190.00	\$1,855,994.00	20.36
1875	9,216,518.00	103,328.00	1.12
1876	9,543,134.00	326,616.00	3.42
1877	9,053,936.00	1,489,198.00	15.40
1878	9,566,595.00	512,659.00	5.36
1879	8,463,197.00		
1880	9,237,945.00	774,748.00	9.15
1881	10,249,261.00	1,011,316.00	10.94
1882	11,297,333.00	1,048,072.00	10.57
1883	12,288,799.00	991,466.00	8.77
1884	13,273,605.00	984,807.00	8.00
1885	14,758,495.00	1,484,889.00	11.18
1886	15,520,191.00	761,696.00	5.16
1887	16,174,691.22	654,500.22	4.21
1888	17,528,599.80	1,353,908.58	8.37
1889	19,441,095.78	1,912,495.98	10.91
1890	20,869,231.55	1,428,135.77	7.34
1891	22,398,868.06	1,529,637.11	7.32
1892	24,196,329.71	1,797,461.05	8.02
1893	25,716,605.85	1,520,276.14	6.28
1894	27,153,091.16	1,436,485.31	5.58
1895	27,951,931.78	808,840.62	2.97
1896	28,941,880.47	979,948.69	3.50
1897	30,171,542.69	1,229,662.22	4.24
1898	30,786,375.89	614,833.20	2.03
1899	31,942,150.88	1,155,774.99	3.75
1900	33,424,982.15	1,482,831.27	4.64
1901	33,881,390.24	456,408.09	1.36
1902	35,049,211.22	1,167,820.98	3.44
1903	36,607,524.80	1,558,313.58	4.44
1904	39,177,373.52	2,569,851.72	7.02
1905	39,833,070.75	655,694.23	1.67
1906	41,610,785.62	1,777,714.87	4.46
1907	45,118,872.34	3,508,086.72	8.43
1908	44,722,985.47	1,395,886.57	1.87
1909	44,855,395.29	132,409.82	.36
1910	44,521,603.27	1,363,792.02	1.81
1911	46,172,472.93	1,650,869.66	3.70
1912	46,336,263.86	163,820.93	.35
1913	46,867,113.55	530,849.69	1.14
1914	50,883,360.07	3,986,246.52	7.84

<sup>1</sup> Decrease.

Expenditures for railway post-office car service included in amounts from 1873 to 1878.

Annual rate of expenditure for railway post-office cars from 1879 to 1914, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1879	\$1,104,392.00		
1880	1,261,041.00	\$156,649.00	14.18
1881	1,364,107.00	103,066.00	8.17
1882	1,455,851.00	91,744.00	6.73
1883	1,599,001.00	143,150.00	9.83
1884	1,738,997.00	139,996.00	8.76
1885	1,869,488.00	130,491.00	7.50
1886	1,816,321.00	153,167.00	12.84
1887	1,881,580.50	65,259.50	3.59

<sup>1</sup> Decrease.

## Annual rate of expenditure for railway post-office cars from 1879 to 1914, inclusive—Continued.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1888	\$1,966,359.35	\$114,778.85	6.13
1889	2,198,517.55	202,158.20	10.12
1890	2,526,000.11	327,482.56	14.89
1891	2,784,845.16	258,845.05	10.24
1892	2,930,199.40	145,354.24	5.22
1893	3,193,589.45	263,390.65	8.98
1894	3,205,098.85	11,509.40	.36
1895	3,243,410.80	38,311.95	1.19
1896	3,463,916.70	220,505.90	6.79
1897	3,704,978.50	241,061.80	6.95
1898	3,917,471.67	212,493.17	5.73
1899	4,175,724.86	258,253.19	6.59
1900	4,368,999.59	193,274.73	4.62
1901	4,688,234.03	269,234.44	6.16
1902	4,904,396.73	266,162.70	5.73
1903	5,279,323.79	374,927.06	7.64
1904	5,518,233.84	238,910.05	4.52
1905	5,743,444.41	225,210.57	4.08
1906	5,870,251.94	126,807.53	2.20
1907	5,889,238.98	18,987.04	.32
1908	4,681,777.58	1,207,461.40	120.50
1909	4,721,044.87	39,267.29	.83
1910	4,750,614.19	59,569.32	1.26
1911	4,737,788.75	1,42,825.44	1.89
1912	4,367,029.16	1,370,759.59	17.83
1913	4,598,917.07	231,887.91	5.30
1914	4,718,492.72	119,575.65	2.53

<sup>1</sup> Decrease.

Expenditures for railway post-office car service in the years from 1873 to 1878 included in table above.

Annual rate of expenditure for railroad transportation and railway post-office cars combined, 1873 to 1914, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1873	\$7,257,196.00		
1874	9,113,190.00	\$1,855,994.00	20.36
1875	9,216,518.00	103,328.00	1.12
1876	9,543,134.00	326,616.00	3.42
1877	9,053,936.00	1,489,198.00	15.40
1878	9,566,595.00	512,659.00	5.36
1879	9,567,589.00	994.00	.01
1880	10,498,956.00	931,367.00	9.73
1881	11,613,368.00	1,114,382.00	10.61
1882	12,753,184.00	1,139,816.00	9.81
1883	13,887,800.00	1,134,616.00	8.89
1884	15,012,603.00	1,124,803.00	8.09
1885	16,627,983.00	1,615,380.00	10.76
1886	17,336,512.00	708,529.00	4.26
1887	18,056,271.72	719,759.72	4.15
1888	19,524,959.15	1,468,687.43	8.13
1889	21,639,613.33	2,114,654.18	10.83
1890	23,395,231.66	1,755,618.33	8.11
1891	25,183,713.82	1,788,482.16	7.64
1892	27,126,529.11	1,942,815.29	7.57
1893	28,910,195.30	1,783,666.19	6.71
1894	30,358,190.01	1,447,994.71	5.00
1895	31,205,342.58	847,152.57	2.79
1896	32,405,797.17	1,200,454.59	3.84
1897	33,876,521.19	1,470,724.02	4.53
1898	34,703,847.56	827,326.37	2.44
1899	36,117,875.74	1,411,028.18	4.08
1900	37,793,981.74	1,676,106.00	4.64
1901	38,519,624.27	725,642.53	1.92
1902	39,953,607.95	1,433,983.68	3.72
1903	41,886,948.59	1,933,240.64	4.84
1904	44,695,610.36	2,808,761.77	6.70
1905	45,576,515.16	880,904.80	1.97
1906	47,481,037.56	1,904,522.40	4.17
1907	51,008,111.32	3,527,073.76	7.42
1908	49,404,763.05	1,603,348.27	3.24
1909	49,606,440.16	201,677.11	.41
1910	49,302,217.46	1,304,222.70	1.61
1911	50,910,261.68	1,608,044.22	3.26
1912	50,703,323.02	1,206,938.66	1.40
1913	51,466,030.62	762,707.60	1.50
1914	55,571,832.79	4,105,822.17	7.39

<sup>1</sup> Decrease.

Previous to 1880 the appropriation for railway post-office cars was not stated separately from that for railroad transportation.

## APPENDIX C.

In the House of Representatives, July 29, 1914, Mr. Moon introduced the following joint resolution, which was referred to the Committee on the Judiciary and ordered to be printed:

Joint resolution (H. J. Res. 309) proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution of the United States, which when ratified by the legislatures of three-fourths of the several States shall be valid to all intents and purposes as a part of the Constitution:

## "ARTICLE XVIII.

"SECTION 1. That hereafter it shall be unlawful for any person to be appointed or elected or chosen to an office or position or service of any kind under the authority of the United States or any State of the Union for life or for a term of service longer than 15 years in duration.



"SEC. 2. That hereafter all judicial officers of the United States inferior in jurisdiction to the Supreme Court, all United States marshals, United States district attorneys, United States revenue collectors, and postmasters shall be elected by the legally qualified voters of the State, district, or civil subdivision thereof in which they shall by law be required to serve. Congress shall fix the districts, terms of service, and the time, place, and manner for holding such elections, and make all other needful laws and regulations to enforce this amendment."

Mr. MOON. Mr. Chairman, I yield to the gentleman from Michigan [Mr. SAMUEL W. SMITH].

The CHAIRMAN. The gentleman from Michigan [Mr. SAMUEL W. SMITH] is recognized.

Mr. SAMUEL W. SMITH. Mr. Chairman, I yield 45 minutes to the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized for 45 minutes.

Mr. MADDEN. Mr. Chairman and gentlemen, I congratulate the gentleman from Tennessee [Mr. MOON] on the eloquence he has displayed in talking about ancient history. I do not blame the Democrats in the House for swarming around him now and shaking his hands, for I presume he has told them something about which they have never read or which, if they have ever read, they have forgotten. But I understand that the subject we are here discussing is what we are going to pay the railroad companies of the United States for carrying the mails. And in this connection I want to congratulate the commission appointed by the chairman of the Post Office Committee, who investigated the necessity for a revision of the railway mail pay. I think it has been conceded by everybody who understands anything whatever about the question that the railroads have not been getting as much compensation for carrying the mails as they should receive. And in the consideration of what ought to be done in order to do justice both to the Government and the railroads the commission, although it has not reported formally, has reached a conclusion with which in the main the Committee on the Post Office and Post Roads quite agree.

The present railway mail pay amounts approximately to \$55,000,000 annually. And allowing 4 per cent per annum for increased weights carried would bring the pay of the railroads for the transportation of mails up to about \$57,500,000 or \$58,000,000.

The committee on railway mail pay formulated a plan which the Committee on the Post Office and Post Roads has substantially adopted, which provides that henceforth the railroad companies shall be paid for space and mileage, rather than for weight of mail carried. The bill before the House contemplates the payment of a sum less than will be proposed to be paid by the committee when the pending amendments are injected into the bill.

I believe the committee on railway mail pay have reached the conclusion that the railroads should be paid 21 cents a car mile for a full railway post-office car, 11 cents a mile for a half railway post-office car, 6 cents a mile for a quarter of a railway post-office car, and 20 cents a mile for a storage car.

In addition to these mileage charges a recommendation has been made by the committee—and concurred in, I believe, by members of the commission—that on a full railroad post-office car there shall be terminal charges allowed amounting to \$8 for every round trip on a full car, \$4 for every round trip on a half car, and \$2 on every round trip on a quarter car. The committee agrees that 21 cents a mile for line charges is about what it ought to be. I believe the conclusion reached by the commission—and certainly the conclusion reached by the committee—was based on what the railroad companies earn from passenger service.

The Interstate Commerce Commission reports show that the passenger service of the railroads of the country the year before last yielded a little over 25 cents a car mile, and last year a little over 24 cents a car mile. The committee concluded that it was not as expensive to move the mails as it is to move passengers, and they thought there should be a difference of anywhere from 7 to 10 per cent between the amounts paid for railway-mail transportation and that earned in the passenger service by the railways.

The result is that the committee have recommended, and if the pending amendments to the present bill are adopted, the payment of 21 cents a full railway mail post-office car mile, 10½ cents for a 30-foot apartment car, 5½ cents for a 15-foot apartment car, and 20 cents for a 60-foot storage car.

To these figures are to be added the terminal charges, which include switching, lighting, and heating. The one fundamental difference between the committee and the commission is that while the commission recommends the adoption of space payment for the movement of closed-pouch service, the committee recommends the movement of the closed-pouch service on the

weight basis. The figures that I have been able to compile lead me to the conclusion that the space-basis payment for the closed-pouch service would be more than \$2,000,000 more expensive than the weight-payment basis will be.

Under the bill recommended by the committee the total railway mail pay, after deducting the land-grant railroad reductions, usually made of 20 per cent of the mail pay, the railroads would be paid under this bill approximately \$62,000,000 per annum, including the 4 per cent allowed for the annual increase of the railroad mail business.

Mr. FINLEY. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FINLEY. Is not that estimate based on the proposition that as many cars and as much space and as many trips will be made under the proposed bill as is now given by railroads in the service, and also adding 4 per cent annual increase in the growth of the mail?

Mr. MADDEN. Yes; in reaching these figures it has been assumed that there will be as many miles traveled by the cars used for the transportation of the mails in the coming year as was traveled during the past year. And we also assume that the volume of the business will increase, as it has done in the past, by about 4 per cent.

The figures made by the committee approximate \$62,000,000, and the present railroad mail pay is \$58,000,000. So that, I say, the committee is recommending the payment of \$4,000,000 more to the railroads for transportation of the mail under this bill than we are paying them under the present plan.

If the figures and all the plans suggested by the commission, so far as I have been able to ascertain them, were adopted, the railroad mail pay during the year succeeding the enactment of this law would amount to \$69,000,000. So that the figures of the committee, if all the amendments we are about to suggest shall be adopted, will be approximately \$7,000,000 lower than the figures of the commission, if they should introduce a bill and it were adopted, according to the figures which I have been able to obtain in connection with their study of the question.

I propose in connection with what I have to say here to print in the RECORD a statement of the number of miles traveled by a full railroad post-office car, the number of miles traveled by half a car, the number of miles traveled by a quarter of a car, and the approximate number of trips made under given conditions by the closed-pouch service, as well as the number of miles and number of trips traveled by the storage car.

In this connection I wish also to print a detailed statement of how many trips each car of every class makes, what we are paying for terminal charges, and what each class of the service amounts to; and I shall compare the figures upon which the Committee on Post Offices and Post Roads agree with the figures which I understand the commission to recommend.

Mr. CLINE. May I ask the gentleman a question?

Mr. MADDEN. Yes.

Mr. CLINE. What reason does the commission give for the abandonment of the weight-and-mileage proposition and going to the space-and-mileage proposition?

Mr. MADDEN. Both the commission and the committee agree upon that. In the first place, the country is divided into four grand divisions, four contract section divisions; and in each contract section of the country we have a quadrennial weighing, and upon that quadrennial weight of the mails as ascertained in 105 days' weighing the payment by the Government is made to the railroads during a period of four years. During all that period we allow an increase of 4 per cent annually without knowing whether it really is a legitimate increase or not.

The recommendation for the adoption of the space basis and the mileage basis is upon the theory that it is much more simple; that it is more scientific; that it places within the jurisdiction of the Postmaster General the opportunity for executive ability in that he will have the power to order either a quarter of a car or half of a car, as he may think the needs of the service requires, whereas on the weight basis we were required to pay for weight fixed regardless of whether we carried the weight or not. Under this system of space and mileage we have the right to move a car, a full railroad post-office car 60 feet in length, for 21 cents a mile. That 21 cents a mile includes not only the car and the heating, but it includes the contents. It includes the men we have working the mail. We know exactly what the cost is to the Government every day.

There is no chance for juggling figures. We believe that this will result in an economy to the Government, and, at any rate, it will result in placing in the department charged with the responsibility of moving the mails information upon which they can base the exact cost of the operation of the department from day to day. I want to congratulate my friend from New Jersey



[Mr. TUTTLE] and my friend from Missouri [Mr. LLOYD], who, with others on this commission, have worked out this scientific basis for the movement of the mail, for to them credit is due, and we members of the committee are only echoing what they suggested as the result of their long study and hard toil.

Mr. GOOD. Will the gentleman from Illinois yield?

Mr. MADDEN. Certainly.

Mr. GOOD. The gentleman has referred to the figures compiled by the commission that has been working on the subject for a number of years. To what extent are those figures available?

Mr. MADDEN. I do not believe that any official figures have been made by the commission; that is, no member of the commission can authoritatively state that they are the figures of the commission, but I think every member of the commission can state that, as far as I am able to ascertain, there is a unity of thought among the members of the commission as to what would be the proper figures. I am not speaking by authority, but if I make a misstatement I would be glad to have the gentleman from New Jersey [Mr. TUTTLE] correct me.

Mr. GOOD. Does not the gentleman think it would be the part of wisdom to defer legislation until Congress has had all the information from the members of this commission that have been studying it for a number of years?

Mr. MADDEN. Mr. Chairman, during the years that I have been a Member of Congress my experience has been that no Member of Congress ever studies these questions except the Member who is on the committee having direct charge of the work, and I want to say to my friend from Iowa [Mr. GOOD], that the committee having direct charge of this work has given intelligent study to the question and is now giving its view in the form of a bill which we hope will be adopted, and I believe that no good purpose would be served, either to the railroads or to the people or to the Government, by the delay that might occur as a result of the suggestion of my friend from Iowa, for I thoroughly believe that the figures which we have made are sufficiently compensatory to justify the enactment of the law. They are not too high.

The railroads are complaining that we are making the figures too low. I think myself they are not too high. I think perhaps the figures in some respects named by the commission were rather high, and while the figures made by the committee may be rather low, yet, I believe, on the whole, the figures recommended for the railway mail pay by the Committee on the Post Office and Post Roads are as nearly equitable as it is possible to make them without seeming to favor either one side of the case or the other.

These are maximum figures, so that if they were too high, and this bill became a law, it is within the power of the Postmaster General to contract for the movement of the mails for less money than those figures would indicate, for his authority to pay is confined to not more than the figures indicated in the bill, and "not more than" means that the Postmaster General, if he is patriotic, as all Postmasters General are, would do his duty and see to it that no dollar of the public money was paid to any person for the movement of the mails to which he was not entitled.

Mr. GOOD. Mr. Chairman, can not he do that now?

Mr. MADDEN. Yes.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. MURDOCK. In connection with what the gentleman has said, I think he ought to say that there has always been carried in the law since 1873 the words "not exceeding," but no Postmaster General has ever paid a less rate than those provided by law.

Mr. MADDEN. Mr. Chairman, I may say to my friend from Kansas, in reply to his statement, that this bill differs radically from any other bill that has ever been enacted, in that it provides that the railroad companies shall move the mails, and no law to that effect has ever heretofore existed. This law makes it a crime for the railroad companies to refuse to move the mails when required by the Postmaster General to do so, and many people who are anxious that no injustice shall be done either to the people or to the railroads fear that with this clause making it a crime for a railroad company to refuse to move the mails when required to do so by the Postmaster General, the Postmaster General might make figures so low as to make it impossible for the railroad to move them. But I do not anticipate any such trouble. I do not believe that the Postmaster General would be so unjust. I believe that the Postmaster General, whoever he may be, would always treat the case on a fair, just, business basis.

Mr. GOOD. Mr. Chairman, will the gentleman yield again?

Mr. MADDEN. Yes.

Mr. GOOD. Suppose the rates fixed would not give reasonable compensation, and therefore would be taking property without due process of law, does the gentleman think that provision could be enforced?

Mr. MADDEN. Oh, no; I have not any idea that it could; but we always have a remedy in the courts; and if the railroad companies could show that the prices suggested by the Postmaster General for the movement of the mails were confiscatory, of course no court in the land would oblige the railroad companies to move those mails for those prices.

Mr. FINLEY. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FINLEY. I would like also to suggest that I presume the gentleman is aware of the fact that the Constitution of the United States affords ample protection along that line?

Mr. MADDEN. Surely.

Mr. FINLEY. You can not take private property for public use without proper compensation.

Mr. MADDEN. Surely. The car-mile earning from the passenger service of the railroads in the United States last year was 24.37 cents, and this bill as recommended by the committee, when amended as suggested, will make the railroad mail pay average about 22.96 cents, including terminal charges, or it reduces the price paid for the transportation of the mails about 7 per cent below what the railroads earn in the passenger service of the country.

Mr. TUTTLE. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. TUTTLE. Where does the gentleman get the figure of 24 cents plus?

Mr. MADDEN. From the latest report of the Interstate Commerce Commission.

Mr. TUTTLE. For the year 1913?

Mr. MADDEN. I have it here, I think. It is the latest report of the Interstate Commerce Commission. It shows that the year before it was 25.43 cents, and this year it is down to 24.37 cents. Of course that might be due to the fact that the passenger traffic was not as dense this year as last year. That is always a factor that must be dealt with in the movement of railroad trains, and that will be one of the factors that will have to be dealt with in the movement of mails under this new system.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GOOD. How do the rates provided for in this bill compare with the rates paid by express companies to the railroads for carrying parcels and expressage?

Mr. MADDEN. I am not familiar with that, I am frank to say, and I would not be able to give an intelligent answer to the question, but my understanding of it is that quite a different service is performed. The Government gets from the railroad quite a different service from that which the express companies get. There is no comparison at all. We are dealing in high-class mail; the express companies carry package freight.

Mr. Chairman, there is one question that may arise, and that may occur to a great many people here, and that is what effect is this going to have on the parcel-post rate? This does away with the parcel-post agitation altogether, so far as the railroad movement of parcel post is concerned, and I have no doubt but that in the very near future there will be a readjustment of the parcel-post rates, so that for a longer distance the people of the United States will be able to get a better rate for the movement of their packages.

Mr. MANN. Will the gentleman yield before passing away from that subject in reference to the express rates; I do not know whether my colleague heard the gentleman from Colorado [Mr. KINDEL] yesterday or not?

Mr. MADDEN. Yes; I did.

Mr. MANN. What is the similarity or dissimilarity between the service rendered by the railroads in reference to mail and express?

Mr. MADDEN. The gentleman from Illinois [Mr. MANN] was asking in what respect the two services compared. In reply I may say that since the Rural Delivery Service has gone into effect we have added burdens that the express companies have not, for they will not deliver outside of a certain radius in a town, but we deliver within a distance of 20 miles away from a post office and we pay men \$1,200 a year now as rural mail carriers, and on that service last year there was a loss of \$28,000,000. If that were added to the loss sustained in other directions by the Post Office and none of that loss was made up by the receipts in great cities, the Parcel Post System as now conducted would face a tremendous deficit every year.



Mr. MANN. What I want to inquire about is, what is the difference between the service, if any, rendered by the railroad companies to the express companies and to the Government in the carrying of mail?

Mr. MADDEN. The railroad companies load the mail and they unload it and they move it from the station to the post office if the post office is within a certain distance from the railroad station.

Mr. SELDOMRIDGE. Will the gentleman permit a question?

Mr. MADDEN. Certainly.

Mr. SELDOMRIDGE. Do I understand the gentleman to say the railroad companies load and unload the mail and move it from the post office?

Mr. MADDEN. Surely, in every city they load and unload it.

Mr. SELDOMRIDGE. I think the gentleman is merely mistaken.

Mr. PLATT. They do it if the post office is within 80 rods of the station.

Mr. MADDEN. I am not. If the railroad station is within 80 rods of the post office the railroad company carries the mail to the post office. If it is more than 80 rods from the post office there is a screen wagon or other service for the movement of the mails from the railroad station to the post office, but in every case all over the United States the railroad companies pay all the cost of loading the mail, all the cost of unloading the mail, and they carry the men free who sort the mail. They light, heat, and clean the cars; they furnish the drinking water and ice, and all that for the men employed by the Government, but in the express service they simply carry the weight of the packages that may be put in the express car.

Mr. HULINGS. And the express messengers.

Mr. MADDEN. Yes.

Mr. BARTON. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BARTON. Take the case of two packages, one of parcel post and the other an express package, in reference to the rapidity of transportation and their handling they are receiving about the same consideration to-day?

Mr. MADDEN. The gentleman is talking about express rapidity?

Mr. BARTON. And parcel post—two packages.

Mr. MADDEN. Oh, then there would be no difference whatever. Now, I want to go to the question of the civil service, in reference to assistant postmasters. Section 3 of this bill provides that all assistant postmasters in the United States in the future, and those who are already in office, shall be required to take a civil-service examination. There can be no object on earth for the adoption of any such measure as this except to destroy the civil service. I do not agree with my friend, the gentleman from Tennessee [Mr. Moon], the chairman of our committee, when he says that men should be placed in the service of the Government on a fixed tenure, and the reason I do not agree with him on that is that a man learns nothing in the Government service that is of any use whatever to him in commercial life, so that if a man serves 10 years in the Government service he is utterly useless in any other place, and the justification for keeping men in the Government all their lives is, first, they become more efficient by reason of their ability and understanding of the Government minutiae, and second, it is impossible for them to get anything to do anywhere else after they leave Government service. There is a prejudice against men working for the Government in all commercial houses, and all a man would have to do to prevent himself from getting employment anywhere in commercial life, after leaving the service of the Government at the end of the 10-year period would be to say that he had been a Government clerk for 10 years, unless he was an extraordinarily efficient man.

Mr. FINLEY. Will the gentleman yield for a question?

Mr. MADDEN. Surely.

Mr. FINLEY. The gentleman does not understand the provision in the bill relative to requiring assistant postmasters to stand examinations applies to any assistant postmasters except those who were covered into the service under a blanket order and who went in without any examination.

Mr. MADDEN. Read what it says.

Mr. FINLEY. I have read it.

Mr. MADDEN. Read it again so we will all hear it. I want to know what it says.

Mr. FINLEY. It reads as follows:

And it shall be the duty of the Postmaster General to require all applicants for assistant postmasters in first and second class post offices, including those now in office who were carried into the service

by Executive orders heretofore made, to take a competitive civil-service examination within 90 days.

Mr. MADDEN. Well, the gentleman from Tennessee said all men now in the service were covered in under Executive order.

Mr. FINLEY. There are about 2,500 assistant postmasters who were covered into the service by the order of President Taft without examination.

Mr. MADDEN. We only have 2,500 assistant postmasters in the United States; so if there were 2,500 covered in by Executive order, they are all there by that order.

Mr. FINLEY. Mr. Chairman, I beg to differ with the gentleman. There are far more assistant postmasters.

Mr. MADDEN. How many?

Mr. FINLEY. Oh, thousands.

Mr. MADDEN. A thousand more?

Mr. FINLEY. More than that.

Mr. MADDEN. I can not see where they are. I had a report from the Civil Service Commission giving me the number of assistant postmasters in the United States.

Mr. FINLEY. I am of the opinion that this only includes those who would be subject to examination under this proposed law.

Mr. MADDEN. Of course, I am subject to correction. I am not going to make an unequivocal statement.

Mr. FINLEY. I am sure of that, and that is why I called the gentleman's attention to the facts.

Mr. MADDEN. However, the enactment of this provision of the law would be iniquitous. It is unjustified; it is unjustifiable. It can be recommended on no other ground except that Democrats want places regardless of whether they are justified in getting the places or not. I think that men who have qualified themselves by service to do the things that the people of the United States expect them to do are entitled to protection from the Democratic office seekers.

Mr. FINLEY. Will the gentleman yield for a question?

Mr. MADDEN. Surely.

Mr. FINLEY. If it be true that there are some assistant postmasters included in these 2,500 who were covered into the service without examination, who are inefficient and incompetent, and whose inefficiency ought to be ascertained by some one, could the gentleman, in the interests of the good of the service or good government, have any objection to the proposed change in the law?

Mr. MADDEN. If the gentleman could show me, if I was managing the post office or any business in the world, regardless of whether it was Government business or not, that any man under my jurisdiction was inefficient, unworthy, or for any other reason ought to be removed for the good of the service, I would find a way to remove him. But I would not under any circumstances agree to the enactment of a law like this, which is a mere subterfuge to set aside the civil-service regulations of the country and make an opening wedge, so to speak, for the entry into the public service of a lot of men who might be unworthy of the confidence of the public.

Mr. FINLEY. Does the gentleman not agree that this provision in the bill provides a lawful and orderly way for ascertaining the incompetents? Now, if they were removed by Executive authority, without any sort of examination and on the charge of inefficiency, would not there be a hue and cry raised that partisanship was being indulged in?

Mr. MADDEN. I admit if this law is enacted that it will be a lawful means of ascertaining the qualifications of men who seek these places, and it will be a lawful means by which those men who are in the places and now well qualified can be removed without creating the criticism which the gentleman refers to.

Mr. FINLEY. Does the gentleman contend that each and every one of these 2,500 assistant postmasters now in office under this executive order of President Taft are entirely efficient and competent?

Mr. MADDEN. I do not make any pretense of knowing anything about that. I simply assume that the administration has means to ascertain a man's fitness, and they can remove a man who occupies a place as assistant postmaster now if they want to do so. And they can name the man they want to succeed him if they want to do so. Now, why not do it? Why not be frank about it? Why not be Democrats in fact as well as in name? Why come here to the House and to the country with the subterfuge or pretense of wanting to do something to conform with the law, when, as a matter of fact, all you want is to get the places? Why do not you remove them? That is what I would do. I would be willing to have you remove them—perfectly willing. I think that Democrats need the places and



ought to have them, but I am not in favor of destroying the civil-service law in order to give them the opportunity to get them. Now, I am heartily in favor of the adoption of this railroad mail pay schedule. I believe it is a conservative, fair recommendation for compensation to the railroads of the country, and I regret exceedingly that it is coupled up with a political scheme which has for its purpose the elimination of 2,500 men who are worthy from the public service. And I would feel that I was unpatriotic, that I was unjust to the people of America, that I was untrue to my oath as a Member of the House if I voted for any such bill as this, no matter how meritorious it is, with that attachment.

I regret very much that the Democratic members of the committee, every man of whom I have the greatest respect for, every man of whom is my friend, all of whom I would go anywhere to please, found it necessary to drive away their friends from the support of this bill by putting into it this civil-service subterfuge. There is not a man on the Post Office Committee who is more anxious to help the committee to do the thing that it ought to do than I am, and I think every member of the committee will agree that that is true. And I want to vote for the bill to regulate the railroad mail pay. I want to vote my convictions upon this question. But you have made it impossible for me to do that by tying to the bill a thing that has no relation whatever to that question and forcing me to vote against it. [Applause on the Republican side.] Every Republican in the House, so far as I have been able to ascertain, would like to vote for this railroad mail pay bill, because they believe it is a just bill; but every Republican in the House, as far as I know, would be bound in honor to vote against the bill with this political appendage attached to it.

Mr. SAMUEL W. SMITH. Will the gentleman yield a moment?

Mr. MADDEN. Surely.

Mr. SAMUEL W. SMITH. I would like your opinion as to how much additional pay it gives to the railroads by reason of the amendments the Committee on the Post Office and Post Roads have adopted to the original bill?

Mr. MADDEN. I think it would make about \$3,000,000 difference. It would make about \$3,000,000 more than it would if we did not have the amendments.

Mr. SAMUEL W. SMITH. And if this bill with the amendments becomes a law, would it increase or decrease the pay to railroads?

Mr. MADDEN. If this bill becomes a law, it will increase the railroad mail pay from about \$58,000,000, at present, to about \$62,000,000. I have these figures in detail, and I shall show them to be the correct figures; and the difference between this bill and the bill which would be recommended by the commission, so far as I am able to ascertain, would be \$7,000,000. So that—

Mr. TUTTLE. Mr. Chairman, may I correct the gentleman right there?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from New Jersey?

Mr. MADDEN. Certainly.

Mr. TUTTLE. The statistician for the commission estimates that under the proposed commission plan the appropriations for the year 1915 would be \$67,000,000 plus.

Mr. MADDEN. And the 4 per cent would make it \$69,000,000?

Mr. TUTTLE. There is no provision for the 4 per cent, because in his judgment the rearrangement of the apartment cars will be such that there will not be any increase for the year 1915.

Mr. MADDEN. Then I will say, in reply to my friend from New Jersey [Mr. TUTTLE], that if there is no provision made by the commission for 4 per cent increase, and their bill will amount to \$67,000,000 without that, if I understand it correctly, there would still be a difference of \$7,000,000 between us and the commission, because if we did not allow the 4 per cent increase our bill would be slightly over \$60,000,000; so that, however you figure it, there would be \$7,000,000 difference.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. I am obliged, gentlemen, for the consideration you have given me. [Applause.] I wish to ask, Mr. Chairman, unanimous consent to extend my remarks by inserting some figures in the Record.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent to extend his remarks in the Record by the insertion of some figures. Is there objection?

There was no objection.

Following are the figures referred to:

Estimated mail compensation under House bill 17042 as last amended.

Car units of service.	Car miles of service per line unit.	Line unit rate per car mile.	Annual line compensation per line unit.	Round trips of service.	Terminal rate per round trip.
Railway post-office cars, 60-foot.....	103,295,273	Cents. 21.00	\$21,692,005	171,915	\$8.00
Apartment cars, 30-foot.....	165,695,629	10.50	17,398,041	448,011	4.00
Apartment cars, 15-foot.....	75,223,521	5.50	4,137,459	467,617	2.00
Storage, 60-foot.....	51,417,527	20.00	10,283,505	49,796	8.00
Closed-pouch.....			2,230,796		
Total.....	395,634,940			1,137,339	
Totals prorated to 60-foot car basis.....	* 202,367,234	21.24	55,740,806	562,621	8.00

Car units of service.	Annual amount of terminal compensation.	Total compensation, including both line and terminal compensation.	Total average unit rate per car mile based on car miles prorated to 60-foot cars.	Per cent of pay for each service unit to total compensation per cent.
Railway post-office cars, 60-foot.....	\$1,375,323	\$23,067,325	22.33	38.22
Apartment cars, 30-foot.....	1,792,044	19,190,085	23.16	31.86
Apartment cars, 15-foot.....	935,234	5,072,693	26.97	8.42
Storage, 60-foot.....	398,372	10,681,877	20.77	17.73
Closed-pouch.....		2,230,796		3.70
Total.....		60,242,776		100.00
Totals prorated to 60-foot car basis.....	4,500,970	60,242,776	22.96	

\* Estimated on weight basis of compensation.

\* Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails, equated to a 60-foot car basis.

Mail compensation under House bill 17042, as amended.

Total railroad mail pay.....	\$60,242,776
Periodical matter by freight.....	703,904
Weighing and ascertains.....	50,000

Total.....	60,996,680
Less land-grant deductions.....	1,171,136

Mail pay under provisions of this proposed bill, June 30, 1914.....	59,825,544
Add 4 per cent for fiscal year 1915.....	2,393,022

Mail pay under provisions of this proposed bill, June 30, 1915.....	62,218,566
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Estimated mail compensation at the rates of pay per car unit set forth in the remarks of Representative James T. Lloyd, published in the Congressional Record of July 18, 1914.

Car units of service.	Car miles of service per line unit.	Line unit rate per car mile.	Annual line compensation per line unit.	Round trips of service.	Terminal rate per round trip.
Railway post-office cars, 60-foot.....	103,295,273	Cents. 21.	\$21,692,005	171,915	\$8.50
Apartment cars, 30-foot.....	165,695,629	11	18,226,519	448,011	5.50
Apartment cars, 15-foot.....	75,223,521	6	4,513,591	467,617	4.00
Storage, 60-foot.....	51,417,527	20	10,283,505	49,796	8.50
Closed-pouch:					
3 to 7 feet.....	* 39,308,961	3	1,179,269	* 88,281	1.00
Under 3 feet.....	* 125,508,485	1.5	1,882,627	* 2,297,698	.50
Total.....	500,452,385			3,523,318	
Total prorated to 60-foot car basis.....	* 262,367,234	22.02	57,777,516	* 649,479	11.48

\* Train-miles of closed-pouch service per annum estimated as of June, 1914, from reports of field officers of the department, apportioned to the two classes, namely, trains having from 3 to 7 feet of closed-pouch space (23.85 per cent of total train miles reported), and trains having 3 feet or less of closed-pouch space (76.15 per cent of total train miles reported).

The department has not sufficient data upon which to make a reliable division of closed-pouch service on train requiring 3 and those requiring 7 feet of space, as these are not needed nor kept in the regular transaction of business. The best that can be done at present is to make an examination of the special reports submitted in 1909.

Referring to the tabulation of 493 closed-pouch trains shown in a "Statement of closed-pouch service," transmitted with the letter of the Second Assistant Postmaster General of the 2d instant to the chairman of the joint committee on postage on second-class mail matter and compensation for the transportation of mails, obtained from the original statistics reported to the department for the month of November, 1909, it was ascertained that the trains carrying a maximum number of pouches and sacks of 35 or less at any time during the period aggregated 771,805 car-foot miles of service on 476 closed-pouch trains. The department estimated at that time, of space devoted to closed-pouch mail, would allow 2.92 linear feet of space to 35 pouches or sacks. Trains carrying over 35 pouches and sacks aggregated 241,764 car-foot miles of service, on 17 closed-pouch trains.



Estimated mail compensation at the rates of pay per car unit, etc.—Con.

Car units of service.	Annual amount of terminal compensation.	Total compensation, including both line and terminal compensation.	Total average unit rate per car mile based on car miles pro rated to 60-foot cars.	Per cent of pay for each service unit to total compensation per cent.
Railway post-office cars, 60-foot.....	\$1,461,278	\$23,153,283	22.41	35.49
Apartment cars, 30-foot.....	2,464,080	20,690,579	24.97	31.72
Apartment cars, 15-foot.....	1,870,468	6,384,059	33.94	9.79
Storage, 60-foot.....	423,270	10,706,775	20.82	16.41
Closed-pouch:				
3 to 7 feet.....	88,281	1,267,550	27.64	1.94
Under 3 feet.....	1,148,849	3,031,476	48.31	4.65
Total.....		65,233,722		100.00
Total pro rated to 60-foot car basis.....	7,456,206	65,233,722	24.86	

Mail compensation at rates indicated in preceding table.

Total railroad mail pay.....	\$65,233,722
Periodical matter by freight.....	703,904
Weighting and ascertains.....	50,000
Total.....	65,987,626
Less land-grant deductions.....	1,252,487
Mail pay under provisions of this proposed bill June 30, 1914.....	64,735,139
Add 4 per cent for fiscal year 1915.....	2,589,405
Mail pay under provisions of this proposed bill June 30, 1915.....	67,324,544
The side and terminal service estimate of cost to the department.....	2,118,820
Total mail cost.....	69,443,364

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. BUCHANAN of Illinois having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 1624. An act to regulate the construction of buildings along alleyways in the District of Columbia, and for other purposes.

#### POSTAL AND CIVIL-SERVICE LAWS.

The committee resumed its session.

Mr. SAMUEL W. SMITH rose.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. SAMUEL W. SMITH. Mr. Chairman, I expect to be brief and to occupy only a few moments, but I will thank the Chair to advise me as to the time.

The CHAIRMAN. Very well.

Mr. SAMUEL W. SMITH. Mr. Chairman, this is one of the most important bills that has been presented to this or any other Congress. It embraces a dozen or more subjects, the most of which should not be in this bill, and I doubt, for reasons which I shall hereafter state, if the subject of railway mail pay should be considered by Congress at this time.

The question of railway mail pay has long been a mooted one, which has provoked endless discussion in and out of Congress and upon which volumes have been spoken and written. Various commissions have been appointed and reported; none quite satisfactory to both interested parties. Finally, in August, 1912, a Joint Committee on Postage on Second-Class Mail Matter and Compensation for Transportation of Mails was appointed, consisting of Senator Jonathan Bourne, jr. (chairman), Senator Harry A. Richardson, Senator John H. Bankhead, Representative John W. Weeks, Representative James T. Lloyd, and Representative William E. Tuttle, jr.

The percentage of maximum space occupying over 3 linear feet per train was, therefore, 23.85 per cent of the total covered by the tabulation, and that under 3 linear feet, 76.15 per cent.

One-way trips per annum estimated as of June, 1914, from reports of field officers of the department, apportioned to the two classes, namely, trains having from 3 to 7 feet of closed-pouch space (3.7 per cent of total trips reported) and trains having 3 feet or less of closed-pouch space (96.3 per cent of total trips reported).

The total trips for the 17 trains embraced in the first class named, is estimated at 30 trips per month for each train (7 trips per week), or a total of 510. The total trips for the 476 trains embraced in the second class of trains named is estimated at 28 trips per month for each train (one-third at 6 trips per week and two-thirds at 7 trips per week), or a total of 13,328. The percentage of trips for closed-pouch trains carrying over 3 feet of space would, therefore, be 3.7 per cent of the total covered by the tabulation, and for such trains carrying 3 feet or less of space, 96.3 per cent of the total trips.

\* Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains, equated to a 60-foot car basis.

\* Includes 86,858 round trips, being the total annual round trips in exclusive closed-pouch trains, equated to a 60-foot car basis.

Since the appointment of this joint committee Senator Bourne has retired from the Senate, as has been said, to devote his whole time to this very important and complicated question.

Senator Richardson has also retired, and Representative WEEKS has gone to the Senate. But, notwithstanding these changes, all these gentlemen have continued to take a very deep interest in this subject and have expected to make a comprehensive and scientific report covering the whole subject matter.

Of Senator Bourne it can be said that he has retained his residence in Washington and given practically his whole time to this subject, and it has been the universal opinion, in view of the ability of the men composing this commission and of their untiring efforts to arrive at a conclusion that would be equally fair, both to the Government and the railroads, that they would make such a report as would settle this question for years to come. Therefore I regret, Mr. Chairman, that this proposed legislation is before the House at this time, and especially that the subject of railway mail pay is presented in a bill along with numerous other subjects, several of which, like the subject of railway mail pay, should be presented in separate and distinct bills.

The Committee on the Post Office and Post Roads has the statement upon the authority of Chairman Bourne that the report will be forthcoming any day. I do not think I am disclosing any confidences of the Committee on the Post Office and Post Roads when I say that Representative TUTTLE, of the committee, on the 13th day of July read a letter from Chairman Bourne in which he said the report would be forthcoming in three weeks, so that you can see that the time is near at hand when we can confidently expect a report from this commission.

This bill, so far as railway mail pay is concerned, ought not to be considered until that report is received and Members have an opportunity to read and digest the same, notwithstanding the amendments which will be offered later on as to pay for space, and so forth, which are substantially the same as the commission is expected to report. This information we get through the kindness of the gentleman from New Jersey [Mr. TUTTLE] and that of the gentleman from Missouri [Mr. LLOYD], who are not only members of the commission, but also members of the Committee on the Post Office and Post Roads of the House.

There are other important recommendations to be made by the commission which we should have the benefit of. For example, I think the Postmaster General is clothed with too much power in the bill. I am speaking broadly now, for we do not know who may be Postmaster General in the years to come, and how far he may use the authority granted in this bill. I refer to the words "not exceeding," as we find them in the bill. Senator Bourne has this to say regarding the same:

[From the Journal of Commerce and Commercial Bulletin, Thursday, July 9, 1914.]

SENATOR BOURNE ATTACKS RAILWAY MAIL PAY BILL—ASSERTS MEASURE IS UNPARALLELED IN HISTORY OF RATE REGULATION.

WASHINGTON, July 8 (special).

If the Post Office Department has its way, the railroads will not only be compelled to carry the mails, but will be compelled to carry them at rates the department elects to pay, according to Jonathan Bourne, jr., chairman of the joint congressional committee on railway mail pay. Mr. Bourne issued an interview to-day in which he vigorously criticized the railway mail pay bill proposed by the Post Office Department.

"In its persistent efforts to secure dictatorial power the Post Office Department has broken all records," said Mr. Bourne. "The department bill H. R. 17042 provides that 'not exceeding' certain rates shall be paid to steam railroads for transportation of the mail. The same bill also contains a clause compelling the railroads to carry mail.

"It is claimed that 'not exceeding' is but a continuance of existing law, but heretofore the railroads having not been compelled by law to carry mail. They are supposed to have accepted the rates as a voluntary act which in itself was assumed to be sufficient guaranty that rates will not be too low, and it was only necessary for Congress to fix maximum rates, but this assumption was not sound, as a railroad would hardly dare to refuse to carry mail because of irritation resultant from such action in the community in which the road operates.

"The Interstate Commerce Commission is now authorized to fix maximum freight rates, it being left to the railroads to fix the minimum. It would be considered preposterous that the commission should fix the maximum rates at which railroads must carry freight and leave the shippers to fix the minimum. Yet this is the very thing that the Post Office Department proposes for mail pay in the departmental bill. Congress is to fix the maximum rates and the shipper—the Post Office Department—is to fix the minimum rates, and the railroads are to be compelled to carry the mail. This is a proposition without parallel in the history of rate regulation. It is bureaucracy run mad."

Mr. Chairman, we will be greatly interested to have the views of the Member from New Jersey [Mr. TUTTLE], who is a member of the Committee on the Post Office and Post Roads and also a member of the commission, who I understand will soon address the committee. Fortunately, two members of the commission in the House have been members of the Committee on the Post Office and Post Roads, and I am sure that they will give us a great deal of interesting and valuable information when they address the committee—information which will materially



aid in perfecting the bill—and I congratulate each of them upon the splendid work which he has performed.

Mr. Chairman, in view of the amendments which are to be offered later on, and to which I have already referred, respecting railway mail pay provisions in this bill, I would be willing to support this bill if there were not other objectionable features, one of which I will call attention to at this time. Laying all politics aside, we ought all to agree that section 3 of this bill should have no place in a measure of its importance and character. The bill which would be based upon the report of the commission is expected to confine itself strictly to railway mail pay, while this one requires that all assistant postmasters, including those carried in the classified service by Executive orders, shall take a civil-service examination within 90 days.

These are permanent officials of the various post offices that have remained for the most part undisturbed because of their proved efficiency, and it is with no disrespect to the postmasters, many of whom have recently been appointed, that I say that these assistant postmasters know much more than they do or can for some time to come respecting the management of the various offices. And, speaking for those in the district which I have the honor of representing, I want to say that, without a single exception, they are competent and qualified, and should not be disturbed except for cause.

In this connection I want to add that if the claim be true that they should be removed because they are inefficient, the postmaster has his remedy by making the same known to the Civil Service Commission and to the Post Office Department, and if a fair investigation of the same confirms the statement of the postmaster, then they will be removed. But, as a matter of fact, on the contrary, I know it to be true that in more than one instance postmasters, new as well as old, want these faithful employees retained because they are efficient and well equipped for the discharge of their duties, but under this bill the whole list, without any exception, will be thrown open for appointment, giving Democratic applicants a chance which does not now exist to win Federal jobs, there being in round numbers about twenty-five hundred of these assistant postmasters.

This is only an indirect application of the old spoils system in the name of civil-service reform, and certainly has nothing to do with the question of railway mail pay.

If this bill, with the amendments which are to be proposed, becomes a law some say that railroads will be overpaid; others say that they will be underpaid. Without expressing any opinion as to what the result will be, I hope that they will be fairly compensated for their services and justice done both the Government and the railroads. [Applause.]

Mr. Chairman, how much time did I occupy?

The CHAIRMAN. The gentleman from Michigan occupied 12 minutes.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. REILLY of Connecticut having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4628) extending the period of payment under reclamation projects, and for other purposes.

The message also announced that the Senate had passed with out amendment joint resolution of the following title:

H. J. Res. 288. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved May 2, 1914.

#### POSTAL AND CIVIL-SERVICE LAWS.

The committee resumed its session.

Mr. SMITH of Michigan. I yield 30 minutes to the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, one of the proposals among the many and important provisions in the measure under consideration is to change the method by which the Government pays the railroads for the transportation of the mails. The basis of pay for the last 41 years has been the weight of the mail carried and the distance it has been transported. It is proposed now to make the basis of pay to the railroads space used in transportation.

This change from one system of pay to another should not be made without balancing the Government's account with the railroads. Under the old system the Post Office Department, by the use of a glaringly erroneous computation in determining the average daily weight of mails, the basis of pay, paid out of

the public funds, against the plain provisions of the law, a sum that aggregates from \$70,000,000 to \$80,000,000. This should be recovered for the Government, and I shall, during the consideration of this measure, offer an amendment designed to effect this recovery. As I proceed to-day I shall set forth the matter at length, turning my attention in the beginning to the new system of pay which is proposed.

For the proposed change involves matters of the gravest consideration to the Government. The amount which the provisions of this bill will turn over to the railroads is tremendous and ought to make Congress pause and give the fullest deliberation to the methods by which it is reached. The annual payment at the initiation of the new system of pay will be in the region of \$62,000,000, according to the estimate of the chairman, Mr. Moon, which is some one or two million dollars more than is now expended for the service. We will spend the first year under this bill one-fifth of our annual revenues from the tariff. It stands, therefore, as an item of expenditure, not only first among the burdens in the various bureaus of the great postal system, but as payment for a single service among the greatest outlays known to any Government. It follows that no change in the method should be made, then, without the most zealous scrutiny and thorough survey. The change proposed is from weight to space. Weight, as a factor to be used in determining the amount of mails carried, is fairly definite. Space, as a factor to be similarly used, is not. Neither is absolutely definite under laws as they are ordinarily administered. But weight is relatively a tangible, computable, definite, fixed factor as a basis for administrative guidance and control, and space is not.

I have said that weight is not absolutely definite as a factor under usual practices of administration. Let me explain. We pay the railroads now for the transportation of the mails on the basis of the average daily weight of mails carried. To determine this average the mails are weighed for a certain number of days—105 days, in fact; the weights for these days collected into a dividend and with a divisor of 105, a quotient is secured for the average. Waiving for the moment the item of padding the mails and the use of a false divisor of 6 on a dividend of 7 days' weights, a practice which obtained for 34 years, it must be evident after a little reflection that 105 days' weights divided by 105 do not necessarily even then give a true average daily weight for a year, the term of payment, when the weights of mail differ at various seasons of the year, as they do. It is known with considerable definiteness that there is a regular increase and decrease in the volume of mail by seasons. Much less mail is carried in July of every year than in January of the same year. If the weight of the mails were to be shown by a line drawn with variations from the horizontal, the line would be found to be ascending from August to September, on through October, November, and December, reaching its highest point in January, February, and March, and holding fairly high in April and May, and declining through June to the July and August low level again. With the exception of the New England section, the 105 days' weighings are invariably placed over the spring of the year when the line is almost uniformly high. Now, a true average daily weight for the year can no more be obtained by that process than it could be obtained by taking the aggregate for the month of July with its low weights and dividing by its 31 days, or similarly the month of January with its high weights. The true average daily weight could be found only by a weighing extending the whole year with the number of days in the year used as a divisor, not a practicable device. The nearest approach to the true average is in use in some of the European countries, where the mails were weighed for a year, and a certain week's weights in November divided by 7 were found to be identical with the year's weights divided by 365.

The railroads therefore have always had the benefit and advantage of a favorable weighing period. But, false as the daily average weight figure has been in this general way, and false as it was for 34 years by the departmental use of a six days' divisor on seven days' weights to find as a quotient the average daily weight, the factor of weight has been to some degree determinative of legislative appropriations and administrative discretion. As is well known to all of us, for mail weighings the country is divided into four sections. The mail is weighed in each of the sections once every four years. The Congress pays for the transportation of the mails on the average daily weight as determined from that weighing. The amount allowed by Congress is fixed, inflexible, and definite. In a lesser degree it is also determinative upon the executive department in its allowances of pay for what are known as full railway postal cars, where the Government pays, in addition to the pay for weight, for the use of an entire car in which mail is separated. That weight is a definite control of



administrative discretion is shown clearly by the circumstance that it was the very lack of this definite element which led to its adoption. In 1867 the pay for the carriage of the mails was based partly on an indefinite "size of mails." The railroads themselves reported "the size" of their mails. The Post Office Department, in order to ferret out excessive claims, ordered a weighing of all mails for 30 consecutive days. These totals proved cumbersome means of comparison, and they were reduced in the department to average daily weights, whether by the use of a correct or incorrect divisor it is not now possible to tell.

But whether false or true, as averages these figures served as something definite and certain by which the Post Office Department could determine whether the railroads and what particular railroads were claiming undue and excessive "sizes of mail." That is, the unit of weight came into the history of mail transportation, because the Government felt the need of a definite factor of measurement. This was not an era of antagonism to the railroads. It was one of supreme confidence in them. But the department felt the need of a fixed measure, and in 1873 the present system of pay on the average daily weight, with rates fixed on a sliding scale, with distance included in the computation, was adopted. Additional pay for full railway post-office cars, pay for space in cars measuring 40 feet and over in length, was also allowed. The administration of the new law was favorable to the railroads in many ways. The pay was originally made high, out of consideration of the fact that a weighing took place only once in four years, and the weights during the four years' period were increasing. In the computation of the pay on the heavier routes rate of pay was a sliding scale up to 5,000 pounds, average daily weight, with a lower flat per ton per mile rate above 5,000 pounds. But the railroads which had average daily weights of hundreds of thousands of pounds were not paid the per ton per mile rate for all the average daily weight, but were paid the high rate on the first 5,000 pounds, a rate of \$171, and the per ton per mile rate on the remainder, a rate of \$21.34. They were also given favorable weighing seasons; and the advantage of an average daily weight, found by the use of a false divisor, which, as I have pointed out amounted in a period of 34 years to an overpayment of between \$70,000,000 and \$80,000,000. For a portion of the period they were allowed, contrary to law, additional pay for space in apartment cars—car space of 30 feet and less in length where the whole car is divided with express or baggage.

In the first years of the new system of 1873 there was a general popular outcry against the enormous pay to the railroads for carrying the mails. There was no specification in the general charge that they were being paid too much. There was no public knowledge of the use of the false divisor or illegal pay for apartment cars. The Congress had adopted a definite measurement—weight—and had fixed a rate of pay. The result was not satisfactory. Naturally the Congress did not abandon thereupon the definite factor of weight. But it reduced the rate of pay 10 per cent in 1876 and 5 per cent in 1878, a reduction, stated with mathematical accuracy, of 14½ per cent.

Then once more there followed a long period of agitation over the amount allowed the railroads for this service. It arose from two sources—first, a portion of the public which believed that the railroads were getting too much, and voiced its protest through debate in Congress; and second, those railroads which believed that certain other railroads were getting more than a fair share of the routings of mail and voiced their protests at the department and through their friends in Congress, in the belief that any disturbance might result in some benefit to them.

After the fashion of legislative bodies and administrative bureaus confronted with vexatious problems, investigations by commissions and otherwise were instituted—several of them—with no results, culminating in the Walcott Commission of 1898, which reported, after extensive hearings and the employment of an expert accountant, with some indefiniteness that the railroads were not overpaid.

The commission's expert, H. C. Adams, however, held that the pay should be reduced 5 per cent.

In 1904 some of the railroad employees, who are experts in this field, were agitating for a change in the length of the weighing period. Presumably they had come to the conclusion that a longer period would give them a higher daily average weight. There were others who did not believe it would. Congress trebled the weighing period in 1905. During the first weighing under the new period in the West the San Francisco earthquake occurred. Pointing out that the earthquake had disarranged the mails, the railroads asked Congress to permit temporarily the use of 49 days' weighing; that is, up until the occurrence of the earthquake.

They were backed up in their request by the Post Office Department. Congress permitted the use of the shorter period for that year. The shorter period showed higher average daily weights for the railroads. It was a profitable change for them, and since the longer weighing period has not been popular with the railroads. But Congress held to the longer period in subsequent years, and as public agitation grew moved on to the business of other reductions. In the reduction of the number of days in the weighing period, following the earthquake, it had come to me that the department was using a six-day divisor on a seven-day dividend to obtain an average daily weight; that is, the department was including Sunday and week-day weights in the whole weighing period, but using only the number of week days as a divisor. I presented the matter to Congress. The department, in a communication to Congress, maintained the accuracy of its practice. Congress refused legislation that would compel the use of a correct divisor.

Mr. FINLEY. If the gentleman will allow me, the matter was first called to the attention of the Post Office Committee, of which the gentleman from Kansas [Mr. MURDOCK] was a member, and the Post Office Committee took action upon it, but it went out of the bill in the House.

Mr. MURDOCK. The first mention of the false divisor was by myself in a speech on the floor of the House. It was not first mentioned in the committee. It was afterwards mentioned in the committee, and the contest was made there. I will go into the action in the committee and in the House a little later with particularity. Suffice it to say at this point that Congress did in 1907 reduce the rates of pay to the railroads on average daily weights above 5,000 pounds and on full railway post-office cars. Immediately following this action, the Postmaster General adopted a correct divisor, which resulted, in its application over the four weighing sections, in a saving of \$5,000,000 annually. Still later shipment of return empty equipment, which had been carried in the mails as mail weight, was sent by freight, a reform for which the gentleman from South Carolina [Mr. FINLEY] was largely responsible by his individual efforts.

Through these agencies the pay of the railroads was reduced on a total approximating \$50,000,000 a year by the sum of something like \$10,000,000. Since then the railroads have borne a desperate air of injury, which gathered outrage and inflammation upon the adoption of parcel post, which has reduced their revenues from express business. They have sought a change. The illegal advantages they had enjoyed under the old system as administered had been in large part boiled out. They wearied of it. Their general attitude had come to be one of unremitting complaint and protest, an attitude based on the proposition that a protest might do the double office of securing more pay for them or preventing further reductions and at the same time silencing the public. But whatever their motives and hopes and fears, their protest has been incessant. Four years ago, under the authority of the law, Postmaster General Hitchcock appointed a commission to determine whether the railroads were underpaid or overpaid. The commission reported that through a readjustment of railway mail pay, with 6 per cent profit allowed the railroads, a saving could be made to the Government of about \$9,000,000. The commission apparently believed that the railroads should be allowed, in addition to cost and the 6 per cent, also a compensation which would equal the \$9,000,000, a conclusion tending to demonstrate that in the opinion of the commission the railroads' present pay was just.

Two years ago, in 1912, Congress created a joint commission to make inquiry into the subject of compensation for the transportation of mail. The commission has never reported. It was, in June last, about to report. I understand, a bill when the chairman of the Committee on Post Offices and Post Roads [Mr. MOON] introduced the bill which we now have before us. This is said to be similar to the bill which the commission was to put before Congress, the chief difference being that in the commission's bill it was not left discretionary with the Postmaster General to pay the railroads less than the fixed rates, while in the Moon bill the Postmaster General may pay "not exceeding" the rates fixed, a discretion which has always been in the law but which has never been exercised against the railroads.

The Moon bill does, however, give the Postmaster General this power. The commission bill does not. Since the introduction of the Moon bill amendments have been prepared, and were this morning offered by Mr. MOON, which increase the rates to approximately what are said to be carried in the commission's unoffered bill. In answer to my questions this morning, Mr. MOON said the latter amendments—that is, those offered this morning—will increase the pay over that in the original Moon bill about \$3,000,000.



Some of the railroads have had the attitude of earnest antagonism to the original Moon measure; but this attitude has become in a measure chronic, and I do not doubt that the amended bill meets their approval and that secretly they are jubilant over it. The bill gives them admittedly a million dollars more than they are now receiving. I am certain it will be more than that in practice.

The advocates of the new system feel certain that in the future the initial amount will not rapidly increase, but that is a guess. Experience alone will demonstrate the facts in that regard.

What is the new system? A proposal to pay a rate for the space used multiplied by the distance the car is hauled and in addition to pay for switching, cleaning, lighting, and unloading.

At present we do not pay for space in apartment cars or storage cars; under the new system we will. At present we do not pay terminal charges, switching, cleaning, lighting; under the new system we will.

Closed-pouch service, under the proposed commission system, where pouches occupy space in cars greater than 3 feet and less than 7 feet, will be paid for on space. They now go by weight. The Moon bill provides weight.

In the commission bill, which has never appeared, there was a provision, I understand, that the Government would pay for side and transfer service, hitherto performed by the railroads. It is also in this bill, but I understand is to be stricken out. If it is stricken out now it will, no doubt, be added in the Senate. It is estimated that there will be an annual expenditure under this item of \$2,118,820, an added burden on the Government.

Closed-pouch service is the transmission of smaller lots of mail in pouches. Side service is the delivery of mail from the railway station to the post office where the post office is within 80 rods of the railway station, a service performed from time immemorial by the railroads.

The rates of space fixed in the bill as introduced by Mr. Moon—and they will be changed by amendments offered by him—are as follows:

Service.	Rate per car-mile.	
	Original Moon bill.	Moon bill with pending amendments.
	Cents.	Cents.
Railway post-office cars.....	20	21
Apartment cars, 30-foot.....	10	10 1/2
Apartment cars, 15-foot.....	5	5 1/2
Storage cars.....	18	20

The terminal cost to the Government under the amendments offered to the Moon bill are as follows:

*Rate per one-way trip.*

Railway post-office car.....	\$4
Apartment 30-foot car.....	1
Apartment 15-foot car.....	1
Storage car.....	4

The estimate of the total cost to the Government under the new system submitted is as follows:

*Annual pay.*

*SERVICE.*

Total line cost (256,367,234 miles).....	\$58,011,980
Closed-pouch, estimate on weight basis.....	2,230,796
Total railroad mail pay (262,367,234 miles) (includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails, equated to a 60-foot car basis).....	60,242,776
Periodical matter by freight.....	703,904
Weighing and ascertains.....	50,000
Total.....	60,996,680
Less land-grant deductions.....	1,171,136
Mail pay under provisions of this proposed bill, June 30, 1914.....	59,825,544
Add 4 per cent for fiscal year 1915.....	2,393,022
Mail pay under provisions of this proposed bill, June 30, 1915.....	62,218,566

These are estimates. It will be interesting to compare them two years hence with actual expenditures.

The efficacy of any law, however rigid in its terms, depends in large measure upon its administration. If this proposed law should have rigorous administration, it would probably reach at the beginning, in a degree, the level of efficacy claimed by

its advocates. If it is administered in the manner in which the present law has been administered, the expenditures under it will be in a few years appalling.

We are moving away from a definite factor—weight—to the indefinite factor—space. The amount of space needed in a given instance, without other determinate element in the computation, is a matter dependent upon the judgment of men. We are going back to the indefinite "size of mails," which we left in 1867.

There are 100 and more subordinate executives in the country who will make recommendations to their chiefs, the superintendents of mails, for space, and the superintendents will in turn make their recommendations to the department at Washington. Each executive, as is natural, has pride in his district, keen appreciation of its needs, anxiety to perfect organization, concern for everything and everybody in his bailiwick. There will be care and economy in the beginning; but what of the result to the Government after the new plan has been assimilated into a governmental bureau system? How many years will it be until the people will be complaining that the cars are not carrying much mail? How long will it be until Congress will be appointing postal commissions to determine what is the average load of railway mail in the country? How long, with this expenditure creeping steadily upward, will it be before Congress will be assured that business is increasing so tremendously that the space pay must be increased? How long will it be before there will be a group here declaring that the Nation should never have left the weight basis and demanding that the country go back to it?

In my opinion it will not be long. Several things will hasten it. Parcel post, that magnificent addition to public service, is in its infancy. We are not fairly launched in it. Transportation of parcels by weight is one thing; transportation of parcels by space occupied is another. In the nature of things the bulk of post parcels is a greater factor than their weight. The lighter, bulkier things go by mail, and the necessities of expeditious dispatch, in place of deposit, in distribution in cars, and delivery in wagons, require space and more space. The people are not going to suffer any diminution in the development of parcel post, and they are going to find speedily that payment for space occupied rather than by weight is a factor.

But even a greater factor in the certain increase in space used than new business is the growth of the service of distribution of mail in transitu. The early transportation of mail by railroad consisted of the dispatch by one postmaster of sacks and pouches of mail to another postmaster. The pouches passed intact from one place to another. In the course of time crude cases of little pigeonholes were set up in cars, pouches were opened by "route agents," and distribution of mail was made to a certain extent before the train reached its destination. To-day this part of the service has reached that stage of development which makes it the very heart of the whole postal system. The full railway postal car has a crew of expert distributors, men of the highest skill, who are separating the mail with the most minute distribution. The great mail trains out of New York City for the West carry men who are routing mail to towns in California, to the south, and to towns in Oregon, to the north, before the train has reached Philadelphia. The genius of our postal system is dispatch. Separation in transitu is its highest expression. It is the very center of modern communication.

The whole tendency is to develop the system at this its highest point. Distribution in moving cars is of certain growth, and as it grows it will call for more and more space. The Nation will not tolerate curtailment or retrenchment here. It will insist, as it always has, on expedition. And increasing expedition means increasing space on moving cars. And space hereafter, under the provisions of this bill, will be paid for in all classes of cars. The people will pay the bill, and Congress will hesitate to add needed improvements to the service because of the enormously growing expenditures.

Weight, together with the popular prejudice against extra pay for the use of postal cars, has always been a check on this arm of the service. With weight eliminated and all payment based on space, the increase here will be very great, the number of the full postal cars multiplying rapidly and apartment car routes graduating quickly into full postal cars.

There is entering into the question, also, the great problem of the proper dispatch of second-class matter which periodically recurs and which instead of clearing under the space system will be further beclouded, to the vexation of all concerned, Government, publisher, and public.

Empty equipment which now goes by freight is also now to go back in the mails.



Moreover, the whole population has been trained in postal affairs to think in terms of weight. The man who posts a letter pays for it by weight. The charge on the book, the parcel he sends, is determined by its weight. The whole system has had in it as one of its determinate elements for 60 years the factor of weight. Until parcel post was inaugurated, distance, compared to weight, in many branches of the service was negligible.

It should be said that for many years there has been an advocacy of space rates. The clearest theoretical advocacy of it is found in the separate report filed by Eugene F. Loud, of California, in 1901, as a member of the Walcott postal commission. But at that time Mr. Loud favored it only theoretically, because he believed there was a lack of sufficient data to warrant its inauguration. He had served on the commission, and with the rest of the members of the commission had rejected as impracticable subjects of comparison for mail rates, express, passenger, baggage, and freight rates. It is interesting to note in this connection that all commissions save possibly the last, the one upon the findings of which this bill is presumably based, have suffered the greatest confusion in determining what is a fair rate to the railroads.

The existing commission has cut the Gordian knot by basing mail pay rates on an estimate of passenger-train revenue and comparing the estimated revenues of the railroads of an express car for 1 mile of travel and the estimated revenues of a passenger coach for 1 mile of travel, and computing the revenue that ought to be allowed for the space used by the mail from that. It is cutting the Gordian knot, for back of the estimates as to a just and reasonable rate is the vast field of railroad accounting, capitalization, and valuation, the relation of passenger and freight accounts to the whole railroad fabric, original cost, cost of duplication, depreciation, and going values, intricate and involved factors which the Interstate Commerce Commission is now trying slowly to work out.

There has been for 40 years a zealous effort to maintain that the railroads were not overpaid. I believe they have been overpaid. They were overpaid when they were allowed pay for apartment cars at one period. They were overpaid for 34 years in being given the benefit of a false average daily weight. And it is noteworthy that since they were deprived of this illegal advantage they have not failed to attempt to obtain from the courts the right to draw from the Government the money which they have been prevented from drawing since the department in 1907 began to use a correct divisor—a sum now estimated to aggregate from \$25,000,000 to \$31,000,000.

The Walcott Commission declared, in 1901, that the pay of the railroads was reasonable and compensatory when the false divisor was in use.

The present commission declares, I understand, that the present sum paid is compensatory, although reductions in the rate of pay have been made, the correct divisor adopted, and the pay reduced by many millions.

Both commissions can not be correct. One thing is certain—the railroads were not entitled to the excessive pay which they received by the use of a false computation over 34 years and their accounts with the Government should be squared. The Government ought not to be out of pocket what was illegally and erroneously paid.

THE CHAIRMAN. The time of the gentleman has expired.

MR. STAFFORD. Mr. Chairman, some time has been reserved for me, and I yield five minutes of that time to the gentleman from Kansas.

MR. LEWIS of Maryland. That gives the gentleman what I was going to ask that he have.

MR. MURDOCK. The railroads have sought in the courts to prove that the old divisor was the legal divisor. They have lost their contention. Had they won they would have been entitled to many millions of dollars which have not gone to them since the new divisor was used in 1907. But they lost, and the Government is entitled to the money paid them through a false computation in the years between 1873 and 1907.

To argue otherwise is to hold that as a litigant the Government has less rights in the premises than the railroads; that one rule shall apply to one party to the controversy and an entirely different rule to the second party; is to contend that so far as the Government is concerned in the controversy with the railroads, the Government stands only to lose, the railroads only to win.

A recital of the activities of the railroads in this matter makes this clear. In December, 1906, in a speech in the House I pointed out that the Government, through an erroneous interpretation of the statute, was weighing the mails a given number of week days and Sundays, and to obtain an average daily

weight was dividing the total weight for the period by the number of days, less Sundays, basing the practice on the existence of the word "working" in the postal acts of 1873 and 1905. The latter act, which merely increased the length of the period from 30 "working days" to 90 "working days," was as follows:

*Provided*, That hereafter before making the readjustment of pay for transportation of mails on railroad routes, the average weight shall be ascertained by the actual weighing of the mails for such a number of successive working days, not less than 90, at such times after June 30, 1905, and not less frequently than once every four years, and the result to be stated and verified in such form and manner as the Postmaster General may direct.

I said that the loss to the Government by the use of a divisor of six on seven days' weights amounted to something like \$5,000,000 a year—a figure which was afterwards verified. Up until the time I mentioned the practice to the House, there had been no public note of it anywhere, so far as I can find, in speeches, hearings, reports of committees or commissions, or in departmental reports, and I have read practically all of those dealing with the subject of railway-mail pay.

But after my speech in December, 1906, and my introduction of a resolution, the Post Office Department submitted to the House Committee on the Post Office and Post Roads an exhaustive document defending the practice of the false divisor, and giving all the weight of expert testimony upon a highly complicated system of pay against my contention. This document was submitted January 5, 1907. The then Second Assistant Postmaster General, W. S. Shallenberger, concluded his recommendation to the committee as follows:

In view of this condition of the service, the intention of the law, as disclosed by the history of the subject and the practice and construction placed upon it by the executive officers who were charged with its execution, of the contemporaneous declaration that in this respect the law adopted the practice which existed before its passage, and of the long-continued and unbroken maintenance of this construction upon the highest legal authority, I have to submit that the average daily weight as ascertained by the existing practice of the department is the correct one contemplated by the statute.

At the same time that the department contended that its interpretation of the statute was correct other important data were produced. Out of a pigeonhole came a theretofore unpublished order of Postmaster General Walter Q. Gresham, made September 18, 1884. It was as follows:

#### ORDER 44.

That hereafter when the weight of mails is taken on railroad routes performing service 7 days a week the whole number of days the mails are weighed, whether 30 or 35, shall be used as a divisor for obtaining the average weight per day.

Here was the discovery of the false divisor and an attempt to correct it. But Mr. Gresham did not remain Postmaster General. By the death of Mr. Folger a vacancy occurred in the office of Secretary of the Treasury. At midnight a little over a week after he issued order 44 Mr. Gresham took the oath in his home here as Secretary of the Treasury, and went into other than postal activities. He was succeeded as Postmaster General by Mr. Frank Hatton.

Mr. Hatton sent a letter to the Attorney General in regard to the law for the payment to railroads for the carriage of the mails. In it he made no mention of the Gresham order, which was not until 1907 made public. He submitted a method of computation and two supposititious examples which are utterly confusing. No such routes as he submitted as examples then existed. The rate allowable per mile per annum cited by him as \$150 was not then \$150. "Pay per ton per mile of road per annum" and "pay per mile run of road per annum" are not part of the computation of pay. Here is the curious letter to the Attorney General:

OCTOBER 24, 1884.

SIR: The act of March 3, 1873 (17 Stat. L., p. 558), regulating the pay for carrying the mails on railroad routes, provides:

That the pay per mile per annum shall not exceed the following rates, namely:

"On routes carrying their whole length, an average weight of mails per day of 200 pounds, \$50; 500 pounds, \$75; 1,000 pounds, \$100; 1,500 pounds, \$125; 2,000 pounds, \$150; 3,500 pounds, \$175."

"The average weight to be ascertained in every case by the actual weighing of the mails for such a number of successive working days, not less than 30."

Upon a large number of the railroad routes mails are carried on six days each week—that is, no mail is carried on Sunday. On others they are carried on every day in the year.

It has been the practice since 1873, in arriving at the average weight of mails per day on these classes of service, to treat the "successive working days" as being composed of the six secular or working days in the week, which is explained by the following illustrations:

Two routes, Nos. 1 and 2, over each of which 313 tons of mail are carried annually.

On route No. 1 mails are carried twice daily, except Sunday, six days per week, and are weighed for 30 successive working days, cover-



ing usually a period of 35 days. The result is divided by 30, and an average weight of mails per day of 2,000 pounds is obtained.

Transportation per mile of road per annum	miles	1,252
Weight per mile of road per annum	tons	313
Pay per ton per mile of road per annum	cents	47.92
Pay per mile run of road per annum	do	11.9
Rate of pay allowable per mile per annum		\$150

On route No. 2 mails are carried twice daily, seven days per week, and are weighed for 30 successive working days and for the intervening Sundays, the weight on the Sundays being treated as if carried on Mondays, the weighing, as before, covering usually a period of 35 days. The result is divided by 30, and an average weight of mails per day of 2,000 pounds is obtained.

Transportation per mile of road per annum	miles	1,460
Weight per mile of road per annum	tons	313
Pay per ton per mile of road per annum	cents	47.92
Pay per mile run	do	10.2
Rate of pay allowed per mile per annum		\$150

I have thought it necessary to give the foregoing illustrations, in order that the practice of this department under the law cited may readily appear, and I will thank you to advise me whether that practice is in compliance with or in violation of the statute.

If not in conformity with the law, will you please indicate the correct method by which the average weight per day should be obtained and the compensation adjusted thereon?

Very respectfully,

FRANK HATTON,  
Postmaster General.

If this letter or the Gresham order No. 44 had been published at the time, either one or both, the question of the divisor would have been at issue 22 years before I raised it.

In answer to this letter from Postmaster General Hatton, there came to the Post Office Department this opinion, out of form, incomplete in itself, and, without the inquiry which elicited it, baffling in its obscurity:

DEPARTMENT OF JUSTICE,  
Washington, October 31, 1884.

The POSTMASTER GENERAL.

SIR: I have considered your communication of the 22d instant, requesting to know whether the construction placed by the Post Office Department on section 4002, subsection 2, prescribing the mode in which the average weight of mails transported by railroad routes shall be ascertained is correct, and am of the opinion that that construction is correct and that a departure from it would defeat the intention of the law and cause no little embarrassment.

I have the honor to be,  
Your obedient servant,

WILLIAM A. MAURY,  
Acting Attorney General.

For 23 years this letter was the warrant the Post Office Department held for its construction of the law. It was filed away in a pigeonhole there, and it was also to be found in the published opinions of the Attorney General for 1884, but signed there, not by William A. Maury, but by S. F. Phillips. It was a costly letter, whoever wrote it. It cost the Government something in the neighborhood of \$60,000,000.

When the department in 1907 submitted its report to the House Committee on the Post Office and Post Roads that its practice was correct, I contended that the interpretation of the statute was erroneous. I brought the matter up in the Committee on the Post Office and Post Roads, and by a very close vote the committee inserted in the general supply bill an amendment striking the word "working" from the law. The majority report of the committee supported the amendment. A minority report was made by Mr. Sibley, Mr. Snapp, and others.

In the meanwhile a then existing postal commission—the Penrose commission—had made a report, recommending, among other things, changes in the pay allowed railroads for carrying average daily weights of mail above 5,000 pounds, and in the draft of the bill submitted by this commission the use of a false divisor, as then upheld by the department, was confirmed in the following clause:

\* \* \* the average weight to be ascertained as now provided by law, and such compensation to be computed in the same manner as and subject to all the restrictions, limitations, and reductions now prescribed by law.

This never became law. But the recommendations of the commission as to changes in the pay for mail weights above 5,000 pounds were adopted with modifications by the House Committee on Post Office and Post Roads, which in its general supply bill had now made four changes of moment in regard to railway mail pay.

1. A reduction in the pay for weights above 5,000 pounds.
2. A direction to the department to change the divisor by striking out the word "working."
3. A reduction in the rates for the use of postal cars.
4. Elimination of return empty mail bags from mail weights.

The saving proposed by the new divisor provided was clearly greater than that accomplished by the other three provisions. The first three provisions were certain to be attacked by points of order under the then rules of the House on the claim that they were changes of existing law. It was certain that points of

order would be made. There was talk of getting a special rule to cover and save some of the items from points of order—a frequent device. But no special rule was forthcoming. Instead, on February 18, the then chairman of the Committee on Post Office and Post Roads, before the consideration of the bill by paragraphs had begun, received recognition to suspend the rules. His motion was as follows:

*Resolved*, That immediately upon the final passage of the bill (H. R. 25483) making appropriations for the Post Office Department for the fiscal year ending June 30, 1908, and for other purposes, it shall be in order in the House to offer the following, under the conditions prescribed in Rule XXVIII, covering suspension of the rules:

*Ordered*, That in the engrossment of the bill (H. R. 25483) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1908, and for other purposes, the Clerk be directed to insert after the paragraph of appropriation "for inland transportation by railroad route, \$44,600,000" the following:

"The Postmaster General is hereby authorized and directed to readjust the compensation to be paid from and after the 1st day of July, 1907, for the transportation of mail on railroad routes carrying their whole length an average weight of mails per day of upward of 5,000 pounds, by making the following changes in the present rates per mile per annum for the transportation of mail on such routes, and hereafter the rates on such routes shall be as follows: On routes carrying their whole length an average weight of mail per day of more than 5,000 pounds and less than 48,000 pounds, the rate shall be 5 per cent less the present rates on all weight carried in excess of 5,000 pounds; and on routes carrying their whole length an average weight of mail per day of more than 48,000 pounds, the rates shall be 5 per cent less than the present rates on all weight carried in excess of 5,000 pounds up to 48,000 pounds, and for each additional 2,000 pounds in excess of 48,000 pounds at the rate of \$19.24 upon all roads other than land-grant roads, and upon all land-grant roads the rate shall be \$17.10 for each 2,000 pounds carried in excess of said 48,000 pounds.

"That after July 1, 1907, additional pay allowed for every line comprising a daily trip each way of railway post-office cars shall be at a rate not exceeding \$25 per mile per annum for cars 40 feet in length and \$27.50 per mile per annum for 45-foot cars, and \$32.50 per mile for 50-foot cars and \$40 per mile per annum for cars 55 feet or more in length."

In parliamentary practice a bill is engrossed, read a third time, and passed. Under the order I have just quoted the bill was to be finally passed and then engrossed, and the Clerk was to insert in the bill two of the provisions reducing railway mail pay. In other words, two of the provisions were, in effect, to be lifted out of the bill and reinserted in the bill after its passage, and thus saved from points of order. The divisor proposition was to be left exposed. The order is unique in the history of parliamentary bodies; no similar device has ever been resorted to in the American Congress. It stands alone, superlative in its field. The House was under the obvious necessity of voting for it, because by voting it up a partial reduction of railway mail pay could be accomplished. By voting it down presumably all reductions would be lost. The House voted it up.

Believing, as I had contended, that it was not necessary to make any change in the wording of the law to compel the use of a correct divisor, when the paragraph in the bill appropriating a stated sum for mail transportation was reached, I offered an amendment which I believed did not change existing law and which was not subject to a point of order. It was as follows:

*Amend*, by adding, after the word "dollars," in line 2, page 21, "Provided, That no part of this sum shall be expended in payment for the transportation of the mails by railroad routes where the average weight of mails per day has been computed by the use of a divisor less than the whole number of days such mails have been weighed."

A point of order was made against this. The Chairman of the Committee of the Whole sustained the point of order. I appealed from his decision. The Chair was sustained by an overwhelming vote.

Later the point of order was made against the provision in the bill directing a change in the divisor by eliminating the word "working"; the point of order was sustained and the provision went out. The postal supply bill passed the House. In the Senate Senator LA FOLLETTE offered my amendment. There was neither explanation, debate, nor dissent. It went into the bill, which then came to the House. Suspecting the Senate amendment would be killed in conference, I made an attempt to have the House accept the Senate amendment. I was beaten. I tried to secure a record vote without success. The divisor amendment which had been added in the Senate was eliminated in conference.

On March 4, 1907, the day of the adjournment of Congress, there was published in the Washington papers a notice that the Post Office Department had changed the divisor to seven by an order, the final form of which is this:

Order No. 412.

*Ordered*, That when the weight of mail is taken on railroad routes the whole number of days included in the weighing period shall be used as a divisor for obtaining the average weight per day.

The railroads at once challenged the justness of this order. So the matter was submitted by the department to Attorney General Bonaparte, and on September 27, 1907, he sustained



order No. 412 in a lengthy opinion. He said the statute was not ambiguous, but clear. He declared:

If Sundays are not "working days," the law does not permit the mails to be weighed on Sundays; if they are "working days," their exclusion from the divisor renders the result of the computation false on its face.

The railroads took the matter to the Court of Claims of the United States. They had seen within a year the department officials on both sides of the proposition. They had also witnessed the House of Representatives, by sustaining the decision of the Chairman of the Committee of the Whole, declare that the use of 7 as a divisor would be a change of law, and that therefore the use of 6 was in accordance with existing law.

If in the years subsequent to the issue of order 412 Congress had passed a law changing in terms the law in regard to the divisor, the railroads would have used it in court as proof that order 412 was not according to law, that the practice of a six-day divisor from 1873 to 1907 was legal, and that they were entitled to a recovery from the Government of the sum saved to the Government from the date of issue of order 412 to the date of change of law. But Congress has not changed the law regarding the divisor.

The test case brought by the railroads was the Chicago & Alton Railroad Co. versus the United States. The Court of Claims some six months ago decided the case in favor of the railroads. A rehearing was asked and granted, and on May 18, 1914, the Court of Claims dismissed the petition of the railroads. The Government had won. The railroads have appealed on the findings of fact to the Supreme Court.

The railroads before the Court of Claims rested their contention mainly on the propositions that the meaning of the statute was fixed by (a) contemporaneous and long-continued exposition by the Post Office Department; (b) that in construction of the statute recourse should be had to debates in Congress, reports of committees, and the failure of Congress to change the departmental practice.

It has been held by the courts in the construction of a doubtful and ambiguous law that contemporaneous construction of those who were called upon to act under the law and were appointed to carry its provisions into effect is entitled to very great respect.

But this statute was not ambiguous or doubtful. The Court of Claims says:

If the statute in this particular were ambiguous or doubtful, the exposition by the department so long continued should be given great weight and a controlling effect under the authorities supra, but we do not so construe the statute.

The court also held that the debates in Congress were not determinative of an erroneous construction of a statute by a department, although debates may be consulted in the ascertainment of the history of the period.

The Court of Claims said in summing up:

Our conclusion is that said statute as amended in the particulars involved in this case does not authorize the application of the rules of contemporaneous and long-continued executive exposition, but that it can be and should be given the construction which its words in their usual and generally accepted meaning import, and that the amendment of 1905 was not an adoption of any preexisting departmental practice which is controlling upon the interpretation to be given by the court.

The railroads had contended that in 1905, when the law was amended extending the weighing period from 30 to 90 successive "working" days, the practice of the department in using a divisor of 6 had been confirmed by Congress. The use of 6 as a divisor was not known to Congress in 1905, and was not debated, and was not then at issue.

Now, after 41 years, the old system of railway mail pay is to be changed. Under the old system the Government suffered gross injustice by a glaringly false and illegal computation in the department, which, when challenged, the department defended; which Congress, when its attention was called to it, refused to direct the department to correct, a computation which eventually was corrected by order of Mr. Cortelyou, Postmaster General under President Roosevelt, whose order has been sustained by the courts. In the change from the old system to the new a fitting time presents itself to my mind to balance the books. Had the Government lost in the courts it would have been called upon to pay. The Government won, and the railroads should pay. When a proper place is reached in the consideration of the pending measure I shall offer the following amendment:

*Provided*, That the Postmaster General shall withhold from all transportation lines which were paid for the carriage of the mails between the year 1873 and June 7, 1907, on a basis of the average daily weight of mails found by the use of a divisor less than the whole number of days included in the weighing period, all payments under

the provisions of this act until an amount equaling the overpayments to such railroads by reason of the use of an erroneous divisor, shall have been withheld.

I shall not be surprised at an adverse reception of this proposition. I have ceased to be surprised at the reluctance of Congress in this matter. But no man will combat it on its merits. And in view of the previous attitude of Congress in the case, I believe it is incumbent on Congress to take the initiative here. It owes it to itself and to the country.

The railroads, as I have stated, have appealed to the Supreme Court. They are seeking to win the many millions of dollars which have been saved to the Government since 1907 by the use of the correct divisor. Why should the Representatives of the Government permit the controversy to be one-sided? Losing in the courts, as they have lost, upon the finding of the courts that the practice in the department which overpaid them had no warrant in law, it is clear to me that the Government has the right to recover its loss of \$70,000,000 to \$80,000,000 from 1873 to 1907. The Congress, for the Government, should now proceed to do so. [Applause.]

Mr. SAMUEL W. SMITH. Mr. Chairman, will the gentleman from Tennessee occupy some time now?

Mr. MOON. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. TUTTLE] 30 minutes. [Applause.]

Mr. TUTTLE. Mr. Chairman, in the time allotted to me I desire to discuss that section of the omnibus bill which relates to the readjustment of the compensation of railroad companies for the transportation of mail.

This subject has been one of controversy ever since the railroad superseded the stage coach in 1838. The history of the Railway Mail Service has been one of almost ceaseless contention and dispute between the railroads and the Government over the adequacy of the rates paid and the proper basis of payment. The antiquated, complicated, cumbersome, and defective method used in computing the amounts due for the railroad service has never been satisfactory, practical, or fair, and has never been understood by our people. The general impression, however, has always been that the Government was imposed upon and was paying well in excess of what the railroads earned or deserved for their services.

When the railroads first came into the service, in 1838, their compensation was limited not to exceed in any instance 25 per cent "over and above what similar transportation would cost in post coaches." In 1838 this compensation was further limited by an act restricting the cost on any route not to exceed \$300 per mile per annum. In 1845 the railroads were classified, dependent upon the size of the mail, the speed of the trains, and the importance of the service, and compensation was limited to \$300 per mile per annum for the first class, \$100 per mile for the second class, and \$50 per mile for the third class. These rates prevailed for a period of 20 years, wholly arbitrary and subject to the varying judgment of the department officials. Not until 1867 were the mails weighed in order to secure a more equitable assignment of roads.

During the late sixties the distribution of mail in transit was begun, and it was soon recognized that if the railroads were not only to transport the mail itself, but also to supply, equip, and haul post offices for the distribution of mail, the weight basis was not adequate or just, and in the law of 1873 the classification of mail routes was abandoned, and the average daily weight of mails carried the whole length of the route with due frequency and speed was made the gauge of compensation, and an additional allowance was provided for railway post-office cars. The result of this arrangement, which is still in effect, was that the railroads are paid about 90 per cent on the weight basis, and 10 per cent of their compensation is for the railroad post-office car service for space furnished. The rates provided by the act of 1873, although protested by the railroads at the time as inadequate, were arbitrarily reduced 10 per cent by the law of 1876, and were further reduced 5 per cent in 1878. The allowance for full railway post-office cars fixed by the law of 1873 was also reduced by the law of 1907 upward of 20 per cent. On March 2, 1907, a still further reduction of 5 per cent was made on all weights from 5,000 pounds to 48,000 pounds and practically 10 per cent on weights above 48,000 pounds. On June 7, 1907, the Postmaster General issued an order changing the divisor from 6 to 7 in computing the average daily weight of mails, which resulted in another reduction of about 8 per cent in the pay of railroads.

Land-grant roads receive 80 per cent of compensation provided in these acts, and in May, 1910, the law was changed, so far as it affected land-grant roads, by reducing the rate fixed for carrying each 2,000 pounds in excess of 48,000 pounds by 10 per cent. The following is the schedule of the rates allow-



able under the original act and those in effect since these reductions were made:

Average weight of mails per day carried over whole length of route.	Pay per mile per annum.		
	Rates allowable under R. S., sec. 4002 (act of Mar. 3, 1873).	Rates allowable under acts of July 12, 1876, June 17, 1878, and Mar. 2, 1907.	Rates allowable to land-grant railroads under acts of July 12, 1876, June 17, 1878, Mar. 2, 1907, and May 12, 1910.
200 pounds.....	\$50.00	\$42.75	\$34.20
200 to 500 pounds.....	75.00	64.12	51.30
500 pounds.....	100.00	85.50	68.40
500 to 1,000 pounds.....	125.00	106.87	85.50
1,000 pounds.....	150.00	128.25	102.60
1,000 to 1,500 pounds.....	175.00	149.62	119.70
1,500 pounds.....	200.00	171.00	136.80
1,500 to 2,000 pounds.....	25.00	20.30+	16.24+
2,000 pounds.....	25.00	19.24	15.39
2,000 to 3,500 pounds.....			
3,500 pounds.....			
3,500 to 5,000 pounds.....			
5,000 pounds.....			
For each additional 2,000 pounds above 5,000 and less than 48,000 pounds.....			
Above 5,000 and less than 48,000 pounds.....			
For each additional 2,000 pounds in excess of 48,000 pounds.....			

Length of railway post-office car and rate per annum per mile of track.

Length.	Act of 1873.	Act of 1907.
40-foot car.....	\$25.00	\$25.00
45-foot car.....	30.00	27.50
50-foot car.....	40.00	32.50
55-60 foot car (or more).....	50.00	40.00

These reductions have all been purely arbitrary, and in most instances were due simply to a belief or an opinion that the railroads were receiving excessive compensation, although this has never been demonstrated, nor have the investigations of those who have studied the question revealed an overpayment. On the contrary, the Wolcott-Loud joint commission, after having this matter under advisement for three years, in 1901 reported that—

Upon a careful consideration of all the evidence and the statements and arguments submitted, and in view of all the services rendered by the railroads, we are of opinion that "the prices now paid to the railroad companies for the transportation of the mails" are not excessive, and recommend that no reduction thereof be made at this time.

The whole system of payment has been a constant source of irritation ever since it has been in effect and has perplexed the minds of legislators, perhaps, more than any problem connected with the Postal Service.

The present law is concededly defective in the following particulars:

#### DEFECTS OF PRESENT LAW.

First. It pays the same rate per ton-mile, irrespective of whether the haul is long or short, thus violating a universally recognized principle of freight transportation. The rate per ton-mile should not be the same when the ton is carried 500 miles as when it is carried only 5 miles.

Second. It is confusing in providing two rates of pay for the same service. When a certain route has one post-office car passing over it daily the law provides one rate for the weight of the mail in the car and another payment for the car itself. It would be much simpler and more desirable to have one rate for the loaded car. An illustration of the misunderstanding of this dual method of payment is the often-repeated assertion, sometimes from postal authorities, that the "rentals" for a single year would suffice to purchase the cars and pay for their upkeep. Congress on several occasions has been asked to consider the Government ownership of cars as a result of this fallacious contention.

Third. The present law ignores the frequency of service in applying the wholesale and retail principle. Thus if two routes have the same average daily weight, the payment is the same, irrespective of whether the weight is loaded on 1 train or 10 trains.

Fourth. The present plan is wrong, because it does not compensate railroads for apartment cars in which mail is distributed. The apartment car must be constructed, fitted up, maintained, heated, lighted, and cleaned by the railroad companies the same as a full car, and if payment is made for the use of a full car there is no valid reason why railroads should not receive proportionate compensation for a part of the car.

Fifth. Under the present system it has been demonstrated that there is no equality as between the long-distance roads and the so-called short lines. The fact is that the great trunk lines of the country are apparently overpaid, while the smaller and poorly patronized roads are grossly underpaid.

Other defects are that the present law does not sufficiently direct incentive to economize in loading the car. It provides for quadrennial weighings, thereby requiring the railroads to carry the increase in volume of mails without compensation, when they are justly entitled to pay for all the service they render; and it compels the railroads, where a post office is within 80 rods of the station, to deliver the mail to the office and thereby perform a service which can not be considered a legitimate railroad function.

That such a system is irrational, unscientific, unbusinesslike, and unfair has been admitted by all who have given it any attention or study, and a radical modification and revision has long been demanded.

Various commissions named from time to time have attempted to solve the problems involved. In 1876 the Hubbard Commission, in 1883 the Elmer-Thompson-Slater Commission, and in 1898 the Wolcott-Loud Commission in turn investigated, reported, and made recommendations without any action on the part of Congress. In addition to these commissions the Post Office Department itself has been making diligent efforts to ascertain a proper basis of pay which would be fair alike to the Government and the railroads, and in 1900 Postmaster General Hitchcock, under authority of the law of March 3, 1879, obtained a vast amount of important and useful statistical data upon railroad operations, particularly those of the passenger-train service, the amount of car space devoted to passenger service proper, express service, the mail service, and the operating expenses and revenues.

The results of this inquiry are contained in a very comprehensive report by the Postmaster General under date of August 12, 1911 (H. Doc. 105), as to the operation, receipts, and expenditures of railroad companies transporting the mail, with recommendations for legislation. With the submission of this report the department presented a bill embodying its conclusions, which was introduced in the Senate. This, the so-called Hitchcock plan, provided for payment on the basis of cost and space; its principal features may be briefly summarized as follows:

#### HITCHCOCK PLAN.

1. From information supplied by the railroads the Postmaster General shall annually determine the cost of carrying the mails on each road, cost meaning operating expenses and taxes. The apportionment of such "cost" is subject to review by the Interstate Commerce Commission. The mail pay due each road is to be determined by adding to such "cost" 6 per cent and such additional amounts, "if any be necessary," to make the whole payment a reasonable return on the value of the property "necessarily" employed in the mail service. (This determination of a capital charge is apparently not to be reviewed by the Interstate Commerce Commission.)

2. Land-grant roads shall receive only operating expenses and taxes—that is, nothing for the use of the capital.

3. Settlements are to be made with the 795 roads, not by the 3,400 mail routes.

4. The car-foot miles devoted to the use of mails are to be ascertained during a statistical period, provided that the space in distribution cars is to be measured according to the authorization of space by the Postmaster General, the department being charged for the round trip with the maximum space authorized in either direction.

5. It shall be unlawful for railroads to refuse to carry mails.

This plan was regarded as impracticable and unworkable because of the almost insuperable difficulties in the way of ascertaining the cost of the service, because it put a premium on inefficient and extravagant management, because it penalized economical management, and because it increased rather than diminished the difficulties of administration and adjustment.

The data assembled were of great value, the suggestions of the department were worthy of all consideration, and in view of the urgent need of a new system which would meet the requirements of the service, in the closing days of the second session of the Sixty-second Congress a joint committee, consisting of three Senators and three Members of the House, was appointed and authorized—

to make inquiry into the subject of \* \* \* compensation for the transportation of mail, and to report at the earliest practicable date.

This commission promptly began its labors and carried forward its studies and investigations with as much dispatch as was compatible with thoroughness, but was obliged to ask for a continuance by the Sixty-third Congress, and has been directed to report before December 1, 1914. We have met so many unex-



pected complications, we have been so hampered by difficulties in securing accurate statistics, and we have had such widely conflicting statistical information to reconcile, that we are not yet prepared to submit the final report of our findings and conclusions.

The Post Office Department, however, desiring immediate action in order that the service may be readjusted to meet the requirements of the enormous growth of business caused by the extension of the parcel post, has urged legislation before the close of this session of Congress, and, at the request of the Postmaster General, Mr. Chairman Moon, of the House Committee on the Post Office and Post Roads, on June 4 introduced the bill, which, with certain amendments subsequently recommended by the Post Office Committee, is now under consideration.

The constructive features of section 13 are, without exception, those evolved by the joint commission, and the plan here presented, with certain important modifications, is the plan which will be recommended by that commission. A distinct departure from the present system is proposed, and a plan is suggested which I confidently believe will settle this much-mooted question for such time as the present transportation conditions exist.

Space is substituted for weight and space as the measure of the service rendered.

Space is, in fact, the basis of all rate making. In carload freight business space is taken into consideration in that a minimum weight per car, varying with the bulk of a commodity, is fixed, and the shipper must pay at least the minimum carload rate regardless of the amount of freight in the car. In fixing the rates on different commodities shipped in less than carload lots the bulk as well as the weight receives consideration. In the passenger service rates are based entirely on space. The weight of the passenger and his baggage is not taken into account. In the Pullman service the same is true. The weight of the modern railway post-office car is upward of 60 tons; the average mail carried is slightly in excess of 2½ tons. It can not be contended that the variation of a few hundred pounds would affect the expense of transportation. The storage car weighs from 50 to 60 tons, but it rarely contains as much as 10 tons of mail, and, compared with the dead weight of the car, the varying weight of the contents is inconsequential. The space basis should be adopted because it is a definite and scientific gauge by which to fix the compensation; because it permits fluctuations of mail pay with every material fluctuation in the service; because it eliminates the cost and the inconvenience of the quadrennial weighings; because it minimizes waste by encouraging economy in utilizing car space; and because it provides a system so definite, clear, and simple that any citizen can understand it. But the chief advantage lies in the fact that the space system minimizes the possibility of injustice being done to either party in interest—the Government or the railroads. The Government will, of course, economize on space authorized and use the minimum required, while the railroads will be sure to be compensated for what they furnish; no more, no less.

Other commissions, committees, and postal experts have repeatedly recommended the substitution of space for weight in measuring the service rendered by the railroads, but they have all failed to suggest a practicable, workable plan to which the space basis could be adapted. It remained for my distinguished colleague upon the commission, Mr. Lloyd, to hit upon the four-unit scheme, which has been demonstrated to the commission and to the department to be the fairest possible basis of payment for the ever-changing volume of mail carried under ever-varying conditions throughout the length and breadth of the country. This scheme has so appealed to the great experts in the Post Office Department that they have abandoned their own and accepted the Lloyd plan as the best that has yet been devised.

The four units to be used as a basis for compensation are the 60-foot car, 60 feet being the standard length of the modern passenger car, the 30-foot apartment, the 15-foot apartment, and the pouch mail which is carried in baggage cars. Under this plan the Government is absolutely protected, as the sole right of authorization of car space rests with the Postmaster General, and the railroad receives credit the instant it complies with the authorization. By the adoption of these units the system is standardized in a way which should be a benefit to the Government and to the railroad, and it should prove of great advantage to both, especially in developing a careful economy of space.

The present practice of adjusting rates but once in four years is abandoned, because it results in forcing the railroads to carry a large amount of mail without pay—14 per cent, if the annual increase in the weight of mail transported has been 7 per cent, as the Government revenue from postal receipts has been on the

average for the last 10 years. This practice is unfair to both the Government and the railroads—to the railroads when it does not pay for all services rendered; to the Government when it pays for services not rendered. A plan is here substituted whereby instant credit may be given for increased service, and besides doing justice to the railroads it saves the Government approximately \$400,000 annually in the cost of the quadrennial weighings.

A new feature in rate making is introduced. Two charges are provided for, a terminal charge which is fixed regardless of the distance traveled, graduated according to the amount of space authorized in the car by the Postmaster General and constructed scientifically upon the basis of the switching and cleaning costs in the movement of the car. The other charge is the line charge upon a car-mile basis. By the segregation of the terminal from the line charges there is created a plan which equalizes the long-and-short haul, equalizes the payment for service rendered between the short lines and the trunk lines, and applies the wholesale and retail principle which is lacking under the present system.

The railroads will be relieved of the side and transfer service of delivery, which, as Gen. Stewart says—

is not strictly a railroad service and is productive of a vast amount of disagreement and controversy between the railroads and the department. Very often—

Says the Second Assistant Postmaster General—

In the case of short lines, for instance, where the pay is very small for the service, they may be required to pay out half, or even more, than they get for the performance of this side and transfer service, which works, of course, an injustice and an inequity to those particular lines.

It is no more reasonable to compel the railroads to deliver mail to a post office after it reaches their terminals than to require them to take passengers to their homes upon their arrival at the stations or to deliver freight directly to the consignees. A railroad should not be required to transport mails on a city street or a country road.

Mr. Chairman, being convinced of the soundness, the practicability, and the desirability of this method of adjusting the railway mail pay, we face the knotty problem of determining the rate to be applied, and no phase of this subject has received such close and conscientious attention as has that of the rate of pay for the service rendered by the railroads. We have been actuated solely by the desire to do justice both to the railroads and to the Government, and we have earnestly striven to arrive at the rate which would compensate the railroads fairly for their service and at the same time protect the Government from imposition. After reaching the conclusion that space should be the measure of the service rendered and that the car mile should be the unit of pay, the next step was to fix the rates upon the car-mile basis.

There were no statistics or data upon which the commission could safely rely for the ascertainment of a correct rate, and the accounting systems of the railroads failed to indicate with any precision what would be compensatory rates in the various branches of the railroad service, but the conclusion was reached that the interests of the Government would be most surely protected by the adoption of a rate comparable to that received from the passenger service.

The passenger rates are claimed to be slightly, if any, above the cost of the service. The railroads insist they are not even remunerative, and the Interstate Commerce Commission found in the 5 per cent case, recently decided, that passenger fares were not bearing their share of the transportation burden; but as their reasonableness has been passed upon by the legislatures, the railroad commissions, and the courts in most of the States of the Union, we feel warranted in accepting them as at least legitimate. Assuming the reasonableness of the passenger rate, it remained to determine what difference there should be in the rate for the carriage of the mail.

On the one hand it was held that the compensation for carrying the mail should at least equal that received from the passenger service, because both in law and in the practical operation of the railroads the mail is given preeminence over all departments of transportation, not even excepting passengers. Mail trains must be given right of way over all other trains; the mail must go on the fastest trains; the mail must be carried on any train the Post Office Department may select; no mail must be left behind, and railroads must always furnish sufficient car space regardless of the suddenness or unusualness of the demand that may be made; mail cars must be furnished with best appliances that art and science afford and modern sanitation demands; mail cars must be stationed where they can be easily and conveniently approached; railroad employees must give mail their first attention on arrival of trains. In fact, the mail service demands the very best that the modern railroad can offer to the passengers in the way of convenience, speed, regularity, frequency, and safety. These are the important factors in the passenger service—they are the



chief factors in the mail service—and, with few exceptions, the operating expenses of the passenger service should be shared pro rata by the Postal Service.

On the other hand, the Post Office Department maintains that the rate for carrying the mail should be well under the commercial rate charged for passenger service. Gen. Stewart believes that the following considerations, if taken into account, will justify a much lower rate than the commercial rate for the carriage of mails, namely:

First. The certainty, constancy, and homogeneity of traffic.

Second. The certainty and regularity of payment.

Third. Railroads are not built primarily to carry mails; in other words, the mail service is a by-product.

Fourth. The protection to their mail trains, which railroads as Government agencies receive against unlawful acts in interference with or obstruction of the mails carried.

Fifth. The principle of public utility.

The testimony given in our hearings did not show that there was either certainty or constancy in the volume of mail traffic. On the contrary, it appears that widely varying quantities of mail are presented for shipment; that there is a vast difference in the outbound as compared with the inbound; and that there is a necessity for providing at all times for maximum conditions, as failure to do so subjects the railway carrier to fines. As to the homogeneity of the traffic, to satisfy oneself one has only to visit a terminal office where the mails are distributed to have an ocular demonstration that the mails of to-day are anything but homogeneous. In addition to the first and second class items, it will be found that there is the widest possible diversity in the character of the traffic, including the bulky, the perishable, and the fragile.

Mr. SAMUEL W. SMITH. I see the gentleman is watching the clock. I desire to say to him that if he wants more time I will give it to him, so he need not bother with the clock.

Mr. TUTTLE. That is very kind of the gentleman.

Assuredly the Government is not entitled to any discount because of the certainty and regularity of its payments. The department makes monthly settlements with the railroads, while the passenger service is without exception paid for in advance, and the payments received for the freight and express business are practically simultaneous with the transaction.

The mails can hardly be regarded as a by-product, although it may be conceded that the railroads were not built primarily to carry them. The mail was an important article of transportation long before the railroads were built, and it is altogether likely that the builders of the railroads had in mind all possible traffic and included the mails in their calculations. While the certain and speedy transmission of the mail is absolutely necessary to the success of railroad operation, even Gen. Stewart was "glad to say that if it were not for the railroads mail service would be a very insignificant thing."

To me it is no more reasonable that the mails should be treated as a by-product of the passenger service than to consider freight a by-product of that service or to hold that the passenger service is a by-product of the freight service. The railroads are entitled to payment for every service they perform, no matter how insignificant it may be in comparison with others. The Interstate Commerce Commission gave as its opinion that—

Each branch of the service should contribute its proper share of the cost of operation and of return upon the property devoted to the use of the public.

Mr. KINKEAD of New Jersey. I do not wish to break up the continuity of the gentleman's thoughts, but I regard his speech this afternoon as one of the best I have ever heard delivered in this House on the subject. I see on page 3 of the bill, in line 24, a clause relating to assistant postmasters. I recall very vividly that both my colleague and myself have gone on record repeatedly as favoring the retention of assistant postmasters within the operation of the civil-service law; and while the present clause relating to assistant postmasters is nowhere near as drastic as was the original one that was presented to the House, I want to ask the gentleman how he now feels with regard to the retention of assistant postmasters in the civil service.

Mr. TUTTLE. I regret that I have not time to go into that. I will say, however, that I am, and was in the committee, in favor of the retention of assistant postmasters under the present civil-service arrangement.

Mr. KINKEAD of New Jersey. Knowing the gentleman's desire to strengthen the civil service, because of his expressions both here and elsewhere, I expected that answer from him, but I was anxious to know what his opinion was.

Mr. MOON. May I interrupt just a moment?

Mr. TUTTLE. Certainly.

Mr. MOON. I am anxious to know from both the gentlemen why it is that they want to make a distinction in favor of assistant postmasters, and why it is they do not want them examined, when the President wants all others except them

examined? What excuse is there for saying that you shall not examine assistant postmasters when everybody else has got to be examined? This section carries out the spirit of the civil service. It does not destroy it. It simply destroys an Executive order which does destroy the spirit of the system.

Mr. TUTTLE. I prefer not to be interrupted at this time.

Mr. KINKEAD of New Jersey. I should like to have time, if I may, to answer the chairman of the committee.

Mr. TUTTLE. My time is very limited.

The CHAIRMAN. The gentleman from New Jersey declines to yield at this time.

Mr. TUTTLE. The right of eminent domain enjoyed by the railroads inures as well to the advantage of the public, and in theory and practice railroads pay for this right and should not be held up for additional gratuities for the maintenance of the Postal Service. The protection of the armed forces of the United States in time of strikes is often suggested as a reason for an additional levy upon the railroads, but such an argument is scarcely worthy of consideration.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SAMUEL W. SMITH. How much more time does the gentleman desire?

Mr. TUTTLE. I think five minutes will be sufficient.

Mr. SAMUEL W. SMITH. I yield to the gentleman 5 minutes, or 10 minutes if he desires it.

The CHAIRMAN. The gentleman from New Jersey is recognized for 10 minutes.

Mr. TUTTLE. Mr. Chairman, the Government should pay a rate compensatory for the service rendered, and I agree with the conclusion of the Wolcott-Loud Commission that—

Not only justice and good conscience, but also the efficiency of the postal service and the best interests of the country demand that the railway mail pay shall be so clearly fair and reasonable that while, on the one hand, the Government shall receive a full quid pro quo for its expenditures and the Public Treasury be not subjected to an improper drain upon its funds, yet, on the other hand, the Railway Mail Service shall bear its due proportion of the expenses incurred by the railroads in the maintenance of their organization and business, as well as in the operations of their mail trains.

It appears to the commission, therefore, that the car-mile compensation for carrying the mails should closely approximate that received for the carriage of passengers. The Interstate Commerce Commission reported that the average operating revenue per car-mile for all classes of passenger-train service was 24.96 cents, and the distinctly passenger revenue—that is, the revenue derived from passenger service, exclusive of the express and mail service—was about 26 cents per car-mile. The Post Office Department's estimates show that the mails are charged 5.78 per cent less of the passenger-train operating expense than the passenger service proper; and assuming that earnings should be proportional to expense, these figures indicate that the difference between passenger and mail earnings per car-mile should be 5.78 per cent. Deducting this percentage from 26, leaves 24.50 cents.

Mr. COX. Will the gentleman yield for a question?

Mr. TUTTLE. Certainly.

Mr. COX. Did your committee have accurate data upon which it could determine, and did determine, the cost of operation per mile of passenger service?

Mr. TUTTLE. We determined it largely upon the figures in Document No. 105, which contains information compiled by the railways for the Post Office Department, and also from statistics of the Interstate Commerce Commission.

Mr. COX. Document No. 105 is a document compiled by the Post Office Department, based on an investigation which the Post Office Department required the railroads to make back in 1909.

Mr. TUTTLE. That is correct.

Mr. COX. You took that and made your deductions from it?

Mr. TUTTLE. Yes.

Mr. COX. So your data was as accurate as the commission were able to get?

Mr. TUTTLE. Yes.

Mr. COX. And as accurate as the railway companies were able to furnish the figures?

Mr. TUTTLE. That is correct; and the difference in the expense of carrying the mail and carrying passengers is shown by that report to be 5.78 per cent. This and other deductions convinced the commission that 25 cents per car mile was a fair and compensatory rate to be paid for the railroad transportation of the mails, and a schedule of terminal and line rates was proposed which when prorated to a 60-foot car mile basis produced an equivalent to a payment without land-grant deduction of 24.69 cents per car mile, and after the deduction to 24.22 cents per car mile.

The rates recommended by the commission and the estimated expenditures through the application of those rates is presented in a table which I will include as a part of my remarks.



*Estimated compensation at rates under consideration by joint committee.*

Unit.	Number of round trips. <sup>1</sup>	Rate.	Terminal compensation. <sup>1</sup>	Line unit miles.	Rate.	Line compensation.	Total compensation. <sup>1</sup>
60-foot railway post office.....	171,915	\$8.50	\$1,461,278	103,546,172	<i>Cents.</i> 21.00	\$21,744,696	\$23,205,974
30-foot railway post office.....	448,011	5.50	2,464,060	165,418,313	11.00	18,196,014	20,660,074
15-foot railway post office.....	467,617	4.00	1,870,468	75,315,925	6.00	4,518,956	6,389,424
Storage cars.....	45,571	8.50	387,371	50,662,145	21.00	10,639,050	11,026,421
Closed pouch, 7-foot.....	596,495	1.00	596,495	41,204,361	3.00	1,236,131	1,832,626
Closed pouch, 3-foot.....	1,789,484	.50	894,742	123,613,085	1.50	1,854,196	4,581,564
Total.....			7,674,414			58,189,043	65,863,457
Less land-grant deduction (using 1.925 per cent, as in letter of May 4, 1914, from Second Assistant Postmaster General to Hon. J. T. LLOYD).....							1,267,872
Received by railroads, exclusive of side and transfer service.....							64,595,585
Estimated by department for side and transfer service.....							2,118,820
Estimated by department for freight shipments.....							714,608
Estimated cost to department (the increased space during the year being taken as offset by probable economies).....							67,429,013

<sup>1</sup> The number of trips are as tabulated, but this is known to be too large because tabulation was made on basis of railway post office routes instead of car runs. Thus, a car from Washington to St. Louis and return should be charged with only one round trip terminal allowance, but in our tabulation, which was made by division, this was taken as three trips. This would not affect the line charge, but somewhat overstates the terminal charges.

Closed-pouch service taken as consisting of 25 per cent 7-foot units and 75 per cent 3-foot units, which undoubtedly overestimates the proportion of the 7-foot units, and hence the total estimate for closed pouch is too large.

The department bill, or the bill now before us, while embodying the plan worked out by the commission, provides for a lower rate of compensation, and, according to their estimates, under its operation, the car-mile rate will be about 22.73 cents.

For the purpose of comparison I desire to print this estimate also:

*Line cost.*

Service.	Car miles.	Rate per car mile.	Annual pay.
Railway post office.....	103,295,263	<i>Cents.</i> 21.00	\$21,692,005
Apartment, 30-foot.....	165,695,629	10.50	17,398,041
Apartment, 15-foot.....	75,226,521	5.25	3,949,392
Storage.....	51,417,527	19.00	9,769,330
Total line miles.....	395,634,940	20.60	82,808,768
Total miles, 60-foot car basis.....	256,367,234		

*Terminal cost.*

Service.	Trips one way.	Rate per one-way trip.	Annual pay.
Railway post office.....	343,830	\$4.00	\$1,375,320
Apartment, 30-foot.....	896,022	2.00	1,792,044
Apartment, 15-foot.....	935,234	1.00	935,234
Storage.....	99,563	5.00	497,965
Total.....	2,274,679	4.0885	4,600,563
Total trips, 60-foot car basis.....	1,125,242		

Service.	Rate per car mile.	Annual pay.
Total line cost (256,367,234 miles).....	<i>Cents.</i> 22.39	\$57,409,331
Closed pouch, estimated on weight basis.....		2,230,706
Total railroad mail pay (262,367,234 miles) <sup>1</sup> .....	22.73	59,640,127
Periodical matter by freight.....		703,904
Weighing and ascertainment.....		50,000
Total.....		60,394,031
Less land-grant deductions.....		1,145,200
Mail pay under provisions of this proposed bill, June 30, 1914.....		59,248,831
Add 4 per cent for fiscal year 1915.....		2,369,933
Mail pay under provisions of this proposed bill, June 30, 1915.....		61,618,764

<sup>1</sup> Includes 6,000,000 car miles, being the total annual closed-pouch space in exclusive closed-pouch trains carrying such weight of mails, equated to a 60-foot car basis.

The department bill continues the weighing of the closed-pouch mails, which the commission believes should be paid for upon the space basis also. While it is true that under their plan there will be a saving in the cost, the saving will be at the expense of the small, weak railroads, who are probably the greatest sufferers under the present system, and who should receive generous rather than parsimonious treatment at the hands of the Government.

There are several other features of this bill at variance with the conclusions of the commission, some of great importance, some relating to important questions of Government

policy, but these will be taken up when the bill is under consideration for amendment.

The application of the commission rates, the correctness and fairness of which we are convinced, results in an estimated increase in the total pay for railway mail transportation of possibly \$3,000,000 in addition to the cost of the side and transfer service, which should be borne by the Government.

The application of the rates in the bill before us will undoubtedly decrease the total amount of railway mail pay.

For myself I am not so much concerned over the question of a slight increase or decrease in the aggregate amount paid for the great service rendered by the railroads as I am for fair and just action on the part of the Government.

Our duty is to perfect a method and to determine as far as possible what is a just compensation to be paid for the carriage of the mails. The railroads are necessarily dependent upon the fairness of Congress for reasonable conditions. They must carry the mail at any rate and upon almost any terms we may fix. Their refusal would be regarded by the public as a defiance of the Government. Congress, therefore, is under the highest obligation to provide tolerable rates and terms.

The plan we have before us is sound, practical, and intelligible, and although in my judgment it does not provide for adequate compensation for the service of the railroads, although it leaves too much discretion in the hands of departmental officials, although dissenting from its provision in many particulars, I realize that legislation at this time is imperative. I hope the bill will be passed. Its enactment will add to the already long list of the great achievements of the Sixty-third Congress in constructive legislation. [Applause.]

Mr. SAMUEL W. SMITH. Will the gentleman yield for a question?

Mr. TUTTLE. Certainly.

Mr. SAMUEL W. SMITH. Is it your understanding that this bill fixes the maximum rates that are to be paid to the railroads?

Mr. TUTTLE. The Moon bill fixes the maximum rates.

Mr. SAMUEL W. SMITH. And it is your understanding, also, that the Post Office Department is clothed with the authority to fix the minimum rates?

Mr. TUTTLE. Under the "not exceeding" clause.

Mr. SAMUEL W. SMITH. Yes; under the "not exceeding" clause.

Mr. TUTTLE. They undoubtedly can, though that is not their practice.

Mr. SAMUEL W. SMITH. And that being the case, the railroads would not be consulted at all, would they?

Mr. TUTTLE. I can not answer for the practice of the department.

Mr. SAMUEL W. SMITH. If the bill under consideration absolutely fixes the maximum rate and the Post Office Department is clothed with the power to fix the minimum rate, wherein do the railroads have anything to say about it?

Mr. TUTTLE. In my opinion, they will have to accept the judgment of the department.

Mr. SAMUEL W. SMITH. Does the gentleman regard that as absolutely fair and just?

Mr. TUTTLE. For myself, I do not favor the "not exceeding" phrase as it occurs in the bill. I should prefer to see the authority remain in Congress rather than in the department.

Mr. FOWLER. May I ask the gentleman a question before he takes his seat?



Mr. TUTTLE. Certainly.

Mr. FOWLER. Under the Moon bill that is before the committee, the railroads will have the same opportunity to contract for carrying the mail as they do now?

Mr. TUTTLE. I think not; this makes it unlawful for them to refuse.

Mr. FOWLER. They will contract in the same way?

Mr. TUTTLE. I do not understand so.

Mr. FOWLER. Do I understand that the gentleman contends that the railroads will not have anything to say about it?

Mr. TUTTLE. That is my understanding.

Mr. FOWLER. No authority to let contracts hereafter?

Mr. TUTTLE. There may be under other provisions in the bill which give the department authority to make special arrangements to carry the mail by freight or express.

Mr. MOON. Will the gentleman yield?

Mr. TUTTLE. Yes.

Mr. MOON. It is true that under the bill the railroad companies are bound to carry the mails when ordered by the United States. That is true everywhere. It is also true under the law and the Constitution that if the railroad rates offered by the Government to the roads for payment for carrying the mails are such that they do not desire to carry the mails on the ground that they are confiscatory, that question can be fought out and determined in the courts.

Mr. TUTTLE. My understanding is that the railroads have to perform the service and then appeal to the courts.

Mr. MOON. Not if the railroads are willing to take the chances of not performing them. And is it not true that if you did not use the language, the railroad companies would be at an advantage, and the Government would be at the mercy of the railroads in all these matters?

Mr. TUTTLE. I do not think so.

Mr. MOON. If I may take the gentleman's time a minute, suppose the conditions were such on a route and the conduct of the railroad company was such that they refused to deliver with the proper expedition the mails, the Government would have no power to control them if the language "not exceeding" was not put in the act. They would perform any sort of service and the Government would have to come to Congress to make the railroad take a less rate when they performed an inadequate service.

Mr. TUTTLE. That would be left within the power to fine them for inefficiency.

Mr. FOWLER. The rate at which the mail is to be carried is fixed in the bill. Now, a railroad desiring to carry the mail will enter into a contract with the Government to carry it, although the terms are fixed.

Mr. TUTTLE. There is no contract required.

Mr. LLOYD. Mr. Chairman, I think both gentlemen are right in this contention. Under this bill the Government authorizes the space that is to be used. The Government makes the authorization of the space, and there is an implied contract that the railroad company will furnish the space at the price fixed by law, and while there will be no instrument in writing signed by one party and the other by which they agree to carry the mail at a rate fixed, on the other hand there is an implied contract that they will do it, and there is a command of the law that they must do it, and that they must carry it at the rate fixed by law.

Mr. MOON. Is it not like it is now, a statutory contract?

Mr. FOWLER. Certainly; it can not be otherwise.

Mr. SAMUEL W. SMITH. Mr. Chairman, I would like to know how much time I have used?

The CHAIRMAN. The gentleman from Michigan has used 1 hour and 47 minutes.

Mr. SAMUEL W. SMITH. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. KINKEAD].

Mr. KINKEAD of New Jersey. Mr. Chairman, rarely have I heard a speech on the floor of this House so well prepared as the speech just delivered this afternoon by my colleague and good friend, Mr. TUTTLE. If he had rendered no other service to the people of his district, each of us and all of us, whether we are Democrats or Republicans, might well say that he should be returned to Congress to carry out the mission which he started when he became a member of the great committee in charge of the present bill. [Applause.]

I had not expected to speak on the bill this afternoon, but when the chairman of the committee asked a question of the gentleman from New Jersey [Mr. TUTTLE] relative to section 4 of the bill, which takes assistant postmasters from the protection of the civil service, I felt it my duty, as a Member of this House, to give to the members of the committee my views, which were only settled upon after a careful investigation into this subject.

I had been tendered the postmastership of Jersey City. [Applause.] Events political over which I had no immediate control compelled me to decline the place that was so generously tendered me by the President of the United States. I expected after my term of service concluded here on March 3, 1915, to take upon myself the duties of that position in Jersey City. In order that I might go into office equipped for the service, I investigated the question of retaining assistant postmasters under the protective wing of the civil service. I want to say to the Members here this afternoon that I have devoted days to looking into this question from a practical as well as a theoretical standpoint.

Mr. MOON. Mr. Chairman, may I interrupt the gentleman a moment?

Mr. KINKEAD of New Jersey. Yes.

Mr. MOON. I think the gentleman misapprehends the section. It does not propose to take the postmasters from under the civil service.

Mr. KINKEAD of New Jersey. I said assistant postmasters.

Mr. MOON. Assistant postmasters. It does not propose that. It simply proposes that they shall be examined for the civil service, and not covered into it by an Executive order, without examination.

Mr. KINKEAD of New Jersey. Mr. Chairman, of course the chairman of the committee and myself have no disagreement about what is intended in the bill. We know what is the intention of the chairman of the committee, and I want to say to him that there is not a man on the floor of the House for whom I have greater respect than for the big, generous, and highly efficient chairman of this committee, and if there is one thing in the world that he is known for on both sides of the House, it is being willing always to write down his convictions and stand by them once they are written down. He and I differ radically regarding this question. He thinks that these places belong to Democrats exclusively. I think they belong to men who have been named and, having proved their efficiency, are now learning the lessons that he learned as a youth; that the Democratic Party is willing at all times to protect the men who are in the civil service. And I regret exceedingly that the expression of an opinion contrary to the spirit of the civil service should come from any man on the Democratic side of this Chamber.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. KINKEAD of New Jersey. Yes.

Mr. MOON. The gentleman does not seem to comprehend fully the effect of this section. It does not interfere with, but it strengthens the civil-service proposition by requiring a civil-service examination. The gentleman says that I want Democrats. The gentleman is mistaken about that. My preference, of course, would be for Democrats, but I want this open to an examination in accordance with the civil-service law. I do not think that any administration ought to cover twenty-five hundred men of one party into office by Executive order. The Republicans that want these places are as much entitled to a show at them under a competitive examination as the Democrats, and this bill gives them the same show.

Mr. KINKEAD of New Jersey. Mr. Chairman, I want to be fair with the gentleman from Tennessee. I honestly think that that is his conviction on the subject, but as a matter of fact, taking it from a practical standpoint, my good friend from Tennessee knows that the Democrats would be given the preference under a Democratic administration, and Republicans would be given preference under a Republican administration.

Mr. MOON. Would not that be a dishonest administration of the civil-service law?

Mr. KINKEAD of New Jersey. I am not going to answer that. The gentleman has answered it himself. I believe that he is anxious to do the square thing, and all that I want to do in the 20 minutes' time that has been allotted to me is to tell him what I have ascertained as the result of hours of work of investigating into this question.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KINKEAD of New Jersey. I yield to the gentleman from Indiana.

Mr. COX. Suppose this section is a law, worded just as it is, could the gentleman conceive any way, manner, or plan whereby any assistant postmaster could be appointed except through the civil service?

Mr. KINKEAD of New Jersey. No; I do not believe that I can.

Mr. COX. Then, if this becomes a law, it does not take them out of the civil service, does it?

Mr. KINKEAD of New Jersey. It might. It might have that effect in the instance that I have cited to the Chairman.



Mr. MANN. Mr. Chairman, will the gentleman yield for a moment?

Mr. KINKEAD of New Jersey. Yes.

Mr. MANN. It does take these men out from under the civil service.

Mr. KINKEAD of New Jersey. Mr. Chairman, I think the gentleman from Illinois and myself have the same view upon this subject, and I am very glad to say that occasionally our Republican friends in this House are right, and whenever they have been right, I have been willing to stand by them, but that is so seldom that my record has not been tarnished to any appreciable extent.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. KINKEAD of New Jersey. Yes.

Mr. FOWLER. Do not these positions belong to the people, the same as the post offices?

Mr. KINKEAD of New Jersey. Why, bless your soul, of course they do. That was the reason I was given one of the places. [Laughter.]

Mr. FOWLER. Is it not a fact that there are various kinds of civil-service positions, and this is one that is placed under the classified civil service, but not under the competitive classified civil service. Is not that true?

Mr. KINKEAD of New Jersey. That is true, of course. Everybody knows that. What does the gentleman want to ask?

Mr. FOWLER. Is it not a fact that all that this bill seeks is to place these positions under the competitive classified service?

Mr. KINKEAD of New Jersey. Twenty-five minutes ago the chairman of the committee expressed that much more clearly than the gentleman from Illinois can ever hope to, and I wish that he would let me proceed without interruption.

Mr. FOWLER. One more question. Is it not a fact that if these places are placed under the competitive classified civil service, it will give everybody a chance to take the examination and go in on his merits?

Mr. KINKEAD of New Jersey. Why, of course, I stated that. Certainly that is the fact.

Mr. FOWLER. Then that makes it a complete civil-service position?

Mr. KINKEAD of New Jersey. Oh, the gentleman is in error absolutely with regard to that last statement, and I refuse to yield further, because I have only a few minutes remaining. The best portion of my time has been taken up in answering questions that have been disposed of 15 or 20 minutes ago.

Mr. FOWLER. But the gentleman has not disposed of that question by a long shot.

Mr. KINKEAD of New Jersey. Mr. Chairman, I regret very much that the bill, which otherwise is a very satisfactory measure, should be encumbered with section 3. If the chairman of the committee wanted to take up a subject other than is properly the subject of the bill, I should have been pleased to have the question of the retirement policy for clerks and carriers, whether rural or city, considered. If the same amount of time had been given to the consideration of this important question, I am fully convinced that the bill, even at this time, would have contained a clause granting a measure of relief in the way of retirement to our efficient post-office employees that would be just alike to the Government they serve and to the men who so well serve the Government.

From time to time during the last three months it has been my privilege to insert in the Record the policies of various corporations, railroads as well as mercantile, toward their employees regarding the retirement of them after they had served the concern for which they worked faithfully and honestly in the aggregate of 30 years. And let me dwell for a moment on the policy of the public-service corporation in the State of New Jersey. Let me say what they have done for their employees has been followed by the Pennsylvania Railroad, the Atlantic & Pacific Tea Co., and here, the latter part of July, less than two weeks ago, the traction companies of the District of Columbia followed in the wake of the progressive New Jersey corporation and granted to its employees at the end of 30 years of service a retirement plan based upon the number of years which they had served the company, and on the average rate of wage for the last 10 years received by them. And we ask, nay we demand, that the corporations of the country live up to the requirements of the Sherman antitrust law. We demand—

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINKEAD of New Jersey. Mr. Chairman, I would like about five minutes more, so much of my time having been taken up by inquiries.

Mr. SAMUEL W. SMITH. I yield five minutes additional to the gentleman.

The CHAIRMAN. The gentleman from New Jersey is recognized for five minutes additional.

Mr. KINKEAD of New Jersey. We demand from the corporations a rigid adherence to the law. We want all business men of America to show the way to the world in business honesty and integrity. Now, I want this Nation of ours to show the way to the world in caring for the men who serve it honestly and faithfully. I recall that in the city of Newark a young man, a resident of my district, went out one day in the holiday season of 1913 with a bag of mail weighing 58 pounds on his shoulder. That young man, going through Broad Street—the principal street of Newark—slipped on the ice and broke his arm. He asked a policeman who was standing by to send for a doctor. His mail bag was by his side. His arm was dressed there in the streets of the city of Newark. He sent a message to the post office asking for a man to come to take his mail bag. When his arm was dressed he reported to the postmaster of Newark, "I am ready with my good arm to help the boys out to deliver the mail that has accumulated during this busy season." [Applause.] This is characteristic of the service that is being rendered to our Government by the men in the post-office service, and when we ask for a retirement plan for men of this character, when we point the way to corporations that have in the past been charged with crime, and they say to this Government, "We are doing this for our employees," we must hang our heads in shame and say, "You may do it, but we will not."

I want to say to the Members of this House that just as surely as to-morrow's sun will rise just so surely will this Government of ours eventually grant an honest, just, and equitable retirement plan not only to the men who carry and deliver our mails but to every man and every woman in the classified service of this Government. And I do not want to see the American Nation shamed into an acceptance of a just and honorable plan. I want to see our Nation do that for its employees which it is endeavoring to do for the world to-day.

That magnificent Jerseyman who stands at this hour in the midst of a great sorrow forgets a dying wife, a loving, loyal helpmate long enough to say to the warring nations of Europe, "Thank God! America is not involved in this strife. If I may be of any service as the President of a nation signatory to The Hague Peace Conference, I offer my services and place them at your disposal toward the end that universal peace may reign throughout the world." [Applause.] And I want to see this House place itself on record, just as we have done among the nations of the world. So may we in a lesser degree show an example to the great corporations of America that we have made an honest, careful, conscientious investigation into this subject and we are convinced that the best service that we can render to the Government is to say to every man and to every woman who comes into our employ, "If you serve us faithfully for 30 years, we will take care of you and your family in the declining years of your life." [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAMUEL W. SMITH. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. STAFFORD] as much time as he desires to use.

Mr. STAFFORD. Mr. Chairman, the subject of railway mail pay is rather abstruse in character and difficult to comprehend, and for years, running back almost a generation, it has been on different occasions investigated by special committees of Congress. The history of the carriage of the mails by railroads is rather interesting. When this service was first inaugurated in 1837 the railroads were not to receive more than 25 per cent than that paid for similar conveyance by other means. In 1839 the rate was fixed at the statutory price of \$300 per mile for the year, regardless of the amount carried. In 1845 this plan was changed so that the service was divided into three groups, payment being made according to service, according to weight of mails, speed and character of trains, and frequency of service, whereby the railroads were paid for the first grade or the most efficient service \$300, for the second grade \$100, and for the less frequent service, the third grade, \$50 per mile per annum. In 1867 we find the first instance of mails being weighed, and this process has continued until the present time, when it is proposed to substitute a new method entirely. In 1873 the present graduated scale of payment, varying with the average daily weight, was fixed by Congress. The highest rate was for the smallest unit of 200 pounds or less a day, for which the railroads were to receive \$50 a year, and graduated according to weight to 5,000 pounds a day, when they were to receive \$25 per annum.

In 1876 the various rates in the graduated scale were reduced 10 per cent, and again in 1878 were reduced 5 per cent, and those rates continued as the fixed charges of payment until 1907, when an additional grade was added. Instead of the



reduction in the sliding scale of payment stopping at 5,000 pounds, it was raised to 48,000 pounds, and the rates reduced 5 per cent up to the 48,000-pound grade, and in that grade reduced 10 per cent of the former ton rate. Besides this reduction in tonnage pay, the Congress, in 1907, also materially reduced the pay for the so-called railway post-office cars, of which I will speak later.

So to-day, so far as the tonnage rate of pay is concerned, the railroads received for the maximum amount, which is the small unit of 200 pounds daily, \$42.75, or its equivalent, on a ton basis of \$427, whereas for a ton, where the railroads carry 48,000 pounds daily, the railroads receive \$19.24, or less than one-twentieth of the highest price for the smallest unit. I wish to impress upon the committee that this is a graduated scale of payment, prorated and diminishing with the increasing daily average weight, and recognizing the well-established traffic rule that with the increasing weight the cost of the service diminishes.

From the discussions in the press and in periodicals, the public has obtained the idea that the railway mail pay has been increasing inordinately the last several years, when in fact the compensation to the railroads has really been less proportionately, as compared to the gross postal expenditures, than for any other character of service. In 1870, for instance, we paid to the railroads for the carriage of the mails \$5,128,000 out of a total expenditure for postal service of \$23,998,000, or 21.4 per cent. In 1880, \$10,498,000 out of a total of \$36,542,000, or 28.7 per cent. In 1890 the percentage of railway mail pay toward the total expenditures was as high as 35 per cent. From that date down the proportion has been gradually decreasing, because, as the statistics show, the weight or tonnage of mail carried on the railroads has been increasing so that they are being paid the ever-lowering graduated rate of pay until that of the last class of 48,000 pounds is reached. So in 1903, for instance, the percentage of railway mail pay toward total postal expenditures was 30 per cent; in 1907, 26.8 per cent; in 1909, 22.4 per cent; in 1910, 21.4 per cent; in 1911, 21.4 per cent; in 1912, 20.4 per cent.

The reason why there has been such a marked decrease in the last few years has been not only due to the fact of the increasing volume of mails carried on the railroads whereby they would obtain this lower rate of pay, but for the further reason that Congress in 1907 reduced the scale of pay 5 per cent in all grades, and an additional 5 or 10 per cent on these higher-weighted routes, and also because we reduced the railway post-office car pay, which is different from the tonnage pay and which I will presently explain, and more decidedly by reason of the establishment by post-office order of the divisor proposition of computing 7 instead of 6 as the divisor for a week to obtain the average daily weight.

At the present time the annual rate of expenditure to the railroads in the four contract sections of the country, as of June 30, 1914, aggregate \$50,833,360. That does not include the payment for the railway post-office car service. That is a distinct payment based upon the idea that we should pay them for the space used by the Government in assorting the mails in these cars exclusively used for post-office services. That practice was established in 1873, when the scale of pay for that character of service was \$25 per mile per annum for a 40-foot car, \$30 for a 45-foot car, \$40 for a 55-foot car, and \$50 for cars over 55 feet in length. At the time of the general reduction made in 1907, these rates were radically reduced to the present rate, when the Government pays \$25 for a 40-foot car, \$27.50 for a 45-foot car, \$32.50 for a 50-foot car, and for a 55-foot car and over, \$40.

You have heard much discussion on the floor of this House in times past to the effect that we have been paying an extraordinary amount for the use of these so-called railway post-office cars, the cost of which averages about \$12,000. It has been estimated that the railroads receive for each car \$3,400 a year for that special pay for space used. That \$25 per line per car for a 40-foot car or \$40 for a 55-foot car is for a complete line of going and return, or one-half of that amount for carriage one way. On the proposed basis the compensation to the railroad for the use of a railway post-office car will be largely in excess of the present rate. Under the present basis, in addition to the pay for the rental of these cars and the haulage of them, they receive the tonnage pay for the weight of mail which is carried in them, which averages about 2½ to 3 tons to a car, making the average returns for those cars in the neighborhood of 18 and a fraction cents per mile per car per annum.

In the current Post Office appropriation bill we provide for railway mail pay based on tonnage rates \$56,188,000 and for railway post-office car rates \$5,412,000, or a total of \$61,600,000. The proposition that is presented to the House is a most radical

departure from anything that has ever been presented to the Congress for the payment of railroads for the carriage of mail. Mr. MURDOCK. May I interrupt the gentleman?

Mr. STAFFORD. With pleasure.

Mr. MURDOCK. The gentleman has known for years, because he has made several speeches on this subject, that one of the railroads' contentions in regard to the justification for the use of a full railway post-office car was not the amount of mail transported but the hauling of space used in the distribution of the mails. Now, with the adoption of this plan proposed, that philosophy passes necessarily, because we are going to pay under this new plan as much for the transportation of mail or more for storage cars than distributing cars?

Mr. STAFFORD. We are going to pay 1 cent less for the storage cars.

Mr. MURDOCK. I understood it was 22 cents.

Mr. STAFFORD. Under the bill as amended we are to pay 21 cents per car per mile for one railway post-office car of 60 feet in length, whereas for storage cars we are to pay 20 cents—1 cent less.

Mr. MURDOCK. Inasmuch as we now pay almost as much for the transmission of the mail in a storage car as we do in a distributing car, that old philosophy of haulage of space for distribution disappears, does it not?

Mr. STAFFORD. The railroads emphasize, as a justification for that charge—and it is well bottomed—that we are paying for the haulage and not the mere use of the cars, and the new plan is in consonance with the position of the railroads in that particular rather than in opposition. If the railroads were furnishing a car for use on a siding the year around, they could well afford to let the Government have it for merely the cost of depreciation and for a return on the investment of 6 per cent. But the gentleman realizes that the railroads must be compensated for the wheelage charge.

As developed in the hearings had before the joint committee, the actual cost of transportation—that is, the cost of the operation of passenger cars per passenger train per car mile—is 19.41 cents, whereas under the existing return to the railroads for these railway post-office cars, including not only the rental or haulage charge, but also the pay for weight of mails carried, is only 18.84 cents, or 57 cents less than the cost of operation alone; so that the claim frequently made on the floor of the House that this is an outrageous charge to be paid to the railroads for the carriage of these railway post offices lacks any foundation in fact whatever. The new basis as presented by the committee follows out that theory of paying to the railroads on the basis of space 21 cents for a full railway post-office car of 60 feet in length, 10½ cents for an apartment car of 30 feet in length, 5½ cents for an apartment of 15 feet, and paying for storage cars at the rate of 20 cents per mile on the basis of a 60-foot car.

It may be interesting to present some figures to the House which have not been presented heretofore in the discussion of this matter as to the respective amounts that develop from these respective characters of service.

Mr. MURDOCK. Before the gentleman goes into that, do I understand him to say—I want to get it correct—that under the proposed plan we will pay more for a full railway post-office car than we pay now?

Mr. STAFFORD. There is no question about that. As disclosed in the hearings had before the joint committee, the returns to the railroads to-day for a full railway post-office car, including not only the rental charge, to which I have referred, but also including the average return for the average weight which is carried in the railway post-office car for the separation of the mail en route, averaging from 2½ to 3½ tons per car—

Mr. MURDOCK. Paid for by weight?

Mr. STAFFORD. Yes; the return paid for the weight, according to the usual method of tonnage pay, is 18.84 cents, whereas the cost of the actual operation of that car, according to the figures prepared by the Interstate Commerce Commission, is 19.41 cents, so that, so far as this railway post-office service is concerned, the Government has been receiving a service for which it has not fully compensated the railroads.

Mr. MURDOCK. Now, the gentleman was going to develop the apartment service.

Mr. STAFFORD. Yes.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SMITH of Minnesota. What is the objection to the Government owning its own railway post-office cars?

Mr. STAFFORD. Before this proposition of changing the basis of railway-mail pay was so suddenly thrown upon the



committee—and it was a suggestion that came without a moment's notice to the members of the committee—it was proposed and included as a part of the Post Office appropriation supply bill this year that the Government should begin the experimentation of owning these railway post-office cars. But that involves the whole question of Government ownership. What advantage is it to the Government to build and equip these cars if we can have the railroads furnish them? We would be obliged, if the Government owned these cars, to go into the business of car building; we would have to establish plants in various districts of the country for the repair of cars. If anyone had studied the question of Government ownership, he knows that the cost is much greater under Government ownership than under private ownership. He knows that a great plant can be much more economically run under private ownership than under Government ownership, and there is nothing that demonstrates that so positively as the Postal Service itself.

I have stated here before, and I repeat it again, that there has been less progress in this Postal Service than in any other business corporation of like character under private management. There have been no real additions to the service except in the last two years, when we introduced the parcel post and the postal savings adjuncts, since the time of the Wanamaker régime, when he installed the special delivery and the pneumatic-tube system. Truly, we have grown, but we have grown along red-tape lines. There has been a marked growth in the Postal Service in the past 20 years, but it has been merely an enlargement. If the gentleman will stop and think for a minute as to the difference in cost under private ownership as compared with Government ownership, he will see that it is much greater under the latter. In addition, there is little progression under Government ownership; there is lacking the incentive that distinguishes the individualistic from the socialistic standard.

Mr. LEWIS of Maryland. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Maryland?

Mr. STAFFORD. Yes.

Mr. LEWIS of Maryland. The gentleman has stated the practice that has obtained in certain portions of the country, and—

Mr. STAFFORD. I yielded to the gentleman for a question only.

Mr. LEWIS of Maryland. You stated the proposition that the postal agency is not efficient as compared with private agencies. Now, has the gentleman any data of a comparable character on which to base or by which to confirm that statement?

Mr. STAFFORD. Take the rural carrier service as an example to show the inequality of payment that prevails there. I do not wish to be diverted on this line; I will only branch off on it for a moment. Here we have the rural carriers in different parts of the country performing different kinds of service. In the North and far West under severely adverse conditions, and in the balmy and sunny South under much more favorable conditions. The rural carriers receive no added compensation for the service rendered under adverse conditions. They receive the same uniform payment, regardless of the amount or character of the service performed, and so on down the line. There is uniformity in pay, it is true, but it is not based upon the character of service performed. I could go on and multiply other instances to illustrate the point.

Mr. CLINE. Mr. Chairman, will the gentleman permit me to ask him a question?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Indiana?

Mr. STAFFORD. Certainly.

Mr. CLINE. How are you going to regulate the service on a uniform basis under those circumstances?

Mr. STAFFORD. It should be regulated according to the amount of service performed by the carrier, whether he is carrying large quantities or small quantities. To-day one rural mail carrier starting from a large city district will be loaded down from day to day, requiring three or four horses to perform the service, whereas in other parts of the country having good roads the service can be performed on a motor cycle.

Mr. CLINE. I understood that the gentleman mentioned the weather as one of the elements in the equation?

Mr. STAFFORD. Yes.

Mr. CLINE. Surely the gentleman does not want to intimate that you can regulate the pay of a rural mail carrier according to the weather?

Mr. STAFFORD. You can regulate the pay according to the amount of service the carrier performs and also according to

the amount of expense to which he is subjected. If the mail service were a private establishment the rural carrier would very likely receive compensation for the horses and for the expense he is put to, whereas now there is this inequality of payment to which I have referred.

Mr. CLINE. There can not be any question but that that feature ought to be recognized as to the amount of service rendered, but you certainly can not introduce the weather into the equation.

Mr. STAFFORD. The gentleman well recognizes that in the North, where we have very severe winters and plenty of snow, it is much more arduous and much more taxing on the horses to convey the rural mail than it is in the South, where they do not have those conditions, and that it is much harder to carry the rural mail in a mountainous country than it is in the plains States, where they have no bad roads whatsoever.

I wish now to go on from the point where I was temporarily diverted in explaining the respective amounts paid for these various services.

For the full railway post-office service it is estimated by the Post Office Department that at the rate of 21 cents per mile for a 60-foot car there will be paid \$21,692,000; for apartment-car service, at the rate of 10½ cents for 30 feet, there will be paid \$17,398,000; for apartments of 15 feet or less there will be paid \$4,137,000; for storage cars, \$10,283,000; or a total of \$53,510,000.

These rates do not include the compensation that is intended for terminal service. We intend to pay the railroads for initial and terminal service at the rate of \$2 per car, both for the initial service and the terminal service, the terminal service being for the loading and unloading of the car by railroad employees and the initial service being for the shunting of the car from the yard to the station and to the train, making for the round trip \$8 for a railway post-office car and the same for a storage car of 60 feet in length, and at a proportional rate for cars of lesser size.

Mr. MURDOCK. Will there be any instances where there will be an initial charge but not a terminal charge?

Mr. STAFFORD. No; in every instance there will be both initial and terminal. The gentleman can conceive some instances where there will be terminal services for which there will be no compensation, and if I am in error I wish to be corrected by the gentlemen of the joint commission who are present. For instance, in my home city of Milwaukee, located on the Chicago-Minneapolis division, the route is from Chicago to Minneapolis. The mails are loaded and unloaded by the railroad company at Milwaukee without receiving any compensation for that service. If I am in error, I should like to be corrected.

Mr. LLOYD. The gentleman is entirely in error. There is an initial and a terminal charge in every case.

Mr. STAFFORD. I wish to put the case very clearly. The route starts at Chicago and goes to Minneapolis. The railroad company receives \$4 at Chicago, \$2 for initial and \$2 for terminal, and also when it reaches Minneapolis it receives \$2 terminal and \$2 initial; but it receives nothing for the dispatch of the mails and the loading of the mails at the intermediate points.

Mr. LLOYD. Of course, in no case is that true. The initial charge is when the train starts. The terminal charge is when it reaches the end of its route.

Mr. STAFFORD. But the railroad company performs the same character of service at the intermediate points, so far as dispatch and receipt of mail is concerned. That is a service for which it receives no compensation.

Mr. LLOYD. I understand that; but the gentleman said there was no initial and terminal charge. There is some initial and terminal charge in every kind of service.

Mr. STAFFORD. If the gentleman had paid close attention to what I said, he would recall that I said there is no return to the railroad for the terminal work en route after the car starts.

Mr. LLOYD. Certainly not, because that is not initial and terminal work.

Mr. STAFFORD. But there is service performed by the railroad company at these respective stations for which they receive no compensation.

Mr. LLOYD. There is no initial service performed, because the initial service is cleaning and lighting the car, and switching the car and placing it in position. No service of this kind is rendered en route.

Mr. MURDOCK. If it is a full railway post-office car running from Washington to Baltimore, that car would receive \$2 at Washington and \$2 at Baltimore, and then on its return trip would earn an additional \$2 at Baltimore and a final \$2 at Washington, or \$8 for the round trip.



Mr. STAFFORD. No; \$8 for the single complete trip. Let me explain, \$2 for the terminal and \$2 also for the initial charge at Washington, and the same amount at the end of the trip at Baltimore; and again, if another car is added to the train at any place en route, that car would undoubtedly receive both initial and terminal compensation.

I wish, now, to give the total amount for terminal cost, as estimated, not giving the amounts seriatim for the respective characters of service, but giving the total amounts as determined by the department. The terminal cost is estimated at \$4,500,970, making a grand total, with the \$53,510,768 for line cost of \$58,011,738. The total railway car mileage of all the respective services aggregates 256,367,234 miles, which makes the average rate 22.63 cents for both line and terminal service. That will be the return to the railroads per car mile for these respective services. This rate, as I understand it, is predicated by the department and by the committee upon the average revenue to the railroads for passenger-car mile service, which in 1911, according to the Interstate Commerce Commission report, was 25.43 cents; in 1912, 24.92 cents; and prior to that time the average was estimated to be 25.43 cents. That is, the average return to the railroads for each passenger car for each mile traveled was these amounts. It is generally conceded that there should be a reduction of 10 per cent from the returns for passenger-car service to that for pay to railroads for carrying the mail. Ten per cent of this 24 or 25 cents would be 2.4 or 2.5 cents, which brings the amount somewhere near the rate as proposed by the Government. If I am in error, I would be pleased to be corrected by either member of the joint committee who are honoring me by listening to my remarks. That 10 per cent reduction follows the suggestion of M. O. Lorenz, who is the associate statistician of the Interstate Commerce Commission and who has given more study to this question than any other person outside of the committee connected with the investigation of this subject. It is only proper in this connection to call attention to one remark he makes in the very beginning of the report, where he says, on page 850 of the hearings:

On the basis of the commercial principle the conclusion is reached that 22 1/2 cents for a 60-foot mail car hauled 1 mile, with a separate payment for side and terminal services, would constitute a fair adjustment for the first year, being an increase over the present rate of pay, but still probably an underpayment, the exact determination of a fair rate being left to be decided after more complete experience and statistics have been gained.

There are some other rates that confirm the position of the joint committee and of the department in accepting the figures of the Interstate Commerce Commission in the average revenue returns to the railroads on passenger traffic as the proper basis for the determination of the rate of mail pay in this instance.

I have here a large number of figures giving a compilation of payment to the railroads for a similar character of service for the hauling of private passenger cars and also for hauling loaded baggage cars. I am not going to burden the House by a recital of the rates. They vary in respect to the character of the service, but I am going to point out this pertinent case. That is, the Pennsylvania and New York Central Railroads charge for a special baggage car loaded, which is the nearest instance I think we have to a full mail car, or what is known as a storage car, 25 cents per mile. When the distance is from 500 to 625 miles, they charge \$125, that being based on the smaller distance for 500 miles; and for 625 miles and over the rate is 20 cents per mile.

The Pennsylvania and New York Central Railroads, well recognized by everybody to have the best accounting systems in the country, make a charge of 25 cents for a loaded baggage car for any distance under 500 miles when offered, no matter by whom, and I think it is safe to assume that the rates as based by the department and the committee as a foundation upon which to proceed in this matter is not an unfair rate to the railroads.

Mr. LEWIS of Maryland. Will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. LEWIS of Maryland. Under what circumstances did they make a charge of 25 cents per car mile for baggage service?

Mr. STAFFORD. I have not all the details before me.

Mr. LEWIS of Maryland. What kind of service was it?

Mr. STAFFORD. Perhaps I was not explicit enough. It was for a special baggage car loaded, to be carried for any private person. I assume, for instance, that theatrical companies sending scenery and trunks, and it may be that they require more than one car, maybe two, and they would charge for each extra car loaded 25 cents per mile in addition to the passenger rate of the theatrical company, which is entirely independent of this question.

I have here the rate charged on all the railroads of the country, as shown by the statistics compiled by the Interstate Commerce Commission, and although they vary from 25 to 30 cents per mile in many instances for the carriage of a private passenger car, to a flat rate based on a certain minimum number of passengers, the most pertinent case that I could find as a justification for the basis of the unit adopted by the joint committee was the rate established by the Pennsylvania and New York Central of 25 cents for the special baggage car.

Mr. LEWIS of Maryland. And they have to haul it back empty for nothing.

Mr. STAFFORD. Oh, the gentleman knows that the railroads usually arrange so as to have it come back loaded. They have that fine arrangement where they do not lose much by empty car haulings. I have not referred in my review of the bill to pay for the closed-pouch service, which is to be determined virtually under the old rate of payment. That amounts in the aggregate to \$2,230,000. In closing permit me to call attention to the aggregate amount estimated by the department to be paid to the railroads for all character of services, including that to be sent by freight, under the bill which is presented for consideration. The total pay in 1915 will amount to \$62,221,191, or about \$625,000 more than the amount carried in the present Post Office bill for that year.

As I said at the outset, or intended to say, and as has been so frequently said before, everybody recognizes that the present basis of pay—that is, on the tonnage basis—is archaic.

No one knows which railroads receive more than they should. No one knows which railroads receive less. It is not scientific. Congress has grappled with it, but when we have reduced the rates of pay on occasions, certainly in 1907, it was merely a wild guess that was made to reduce the total pay to the railroads on those lines which the Congress and the committee believed were receiving too much pay, especially those carrying more than 48,000 pounds of mail daily the year around. The joint committee now presents a scientific proposition. I recognize that there is danger of abuse. I recognize that the department officials in the administration of this new system—and I wish to emphasize that at this time, because we are about to pass this bill and adopt this system—may find that abuse will arise in not having all of the space utilized. Any person who is acquainted with the history of the Postal Service during the last 10 years knows that there were many instances where full railway post-office service was put into use when there was no need for it, that there were additional cars used, involving an expenditure in some instances of half a million dollars, when there was no need for that service. We must leave it to the postal employees. There will be no incentive on their part to crowd their cars. Their main idea will be to place the mail in the storage cars, so that it can be easily reached when it has to be sorted en route. Certainly there will not be that incentive to have the storage cars crowded, as is sometimes the case at present, to 50 tons, as the interest now of the railroad employees is to fill the cars to their maximum limit. Under the new plan it will be to the interest of the railroads to have as many cars or as much space utilized as is possible, and the only thing that makes me pause in advocacy of this new system is the danger of its abuse.

We all know that if it had not been for the inauguration of the parcel post this new plan would never have been presented at this time. We know that if the present rate of pay is continued in force, if this plan is not adopted, that inside of two years or three years, when all of the railroads of the country will be receiving their proper return for the additional burden of the parcel post, there will be a deficit, a growing deficit in the postal revenues. Let me elaborate in one particular as to that phase of it. Here is the fourth contract section, the far Western States, where the railroads up to June 30 last were receiving \$17,210,000 for the carriage of the mail. The mails have been weighed this past season in that district as the basis of the pay for the next four years. Prior to the establishment of the parcel post it was the plan of the Post Office Department to figure an increase of 4 per cent each year, or 16 per cent of the total amount for the additional pay to the railroads resulting from the usual increase of mail from business development. Since the establishment of the parcel post, the department has estimated 24 per cent increase instead of 16 per cent increase for the four-year period, and I am informed by the Post Office officials that in some instances, notably those lines running out of San Francisco, the mail has increased 50 per cent over the weighings four years ago, by reason of the parcel post. Next year comes the weighing in the third contract section, that great Middle West section, west of Pennsylvania and running out to the Rocky Mountains, including the Dakotas, and running as far south as the Ohio River, and in-



cluding the State of Missouri, where the mail pay at present is \$16,736,000, and where they are receiving no compensation to speak of—oh, a half million dollars or thereabouts—for this added parcel post, where the added tonnage runs into hundreds of thousands of pounds. I venture to say, without fear of successful contradiction, that the railroads are carrying parcel post there to the extent of \$2,000,000 for which they are not receiving any pay at all. If the present schedule of pay continues, instead of paying the railroads \$16,736,000 after June 30 of next year, we will be paying them \$21,000,000 and perhaps \$22,000,000.

This proposal for a change in method of railway mail pay has been occasioned by the introduction of the parcel post. If we had not inaugurated that system, with might and main I would have opposed this proposed plan, because I recognize that the old plan of paying on the tonnage basis safeguarded the interests of the public as well as they could be safeguarded. But we have a condition confronting us. We have gone into the express-carrying business, we have gone into the freight-carrying business, and we must recognize the existing practices in paying for the haulage of freight and express. While express payment is not based on space, yet it is largely predicated on that idea. Freight charges on carload lots are based on that idea. As we have gone into this new feature, which is adding to the Postal Service the carriage of merchandise mail, we have to meet the conditions.

From my review of this subject in the time I have been able to give it, apart from the consideration of other matters, I am willing, in view of the investigations made, to support this proposition. I only fear, as I said, that it will be abused; that the total amount will mount up in time to come, because of the lack of scrutiny, of the want of private interest on the part of our Government employees to take advantage of filling the car space to the maximum; that it will grow and grow until it will mount very high.

We might as well recognize conditions as they are. With the joint committee advocating higher rates than were proposed by the department, if the bill is finally adopted, the rates that we are now agreeing to will not be the rates that will be finally enacted into law when it is returned from another body, and when the bill will carry four, five, or more million dollars for total railway mail pay. But the plan is scientific. If it is abused, the fault will lie at the door of the Government, through neglect or default of our Government employees. We have to keep up with the parcel post; we can not depart from it. It is established, and no one to-day would advocate a recession of that service to the public. And so, as I said a few moments ago, I am going to support and vote for this proposition. As to the other substantive propositions of the bill, 12 or more, I will reserve discussing them until their consideration under the five-minute rule. I wish to thank the committee for its attention. [Applause.]

Mr. SAMUEL W. SMITH. Will the gentleman from Tennessee occupy some time now?

Mr. MOON. I yield 10 minutes to the gentleman from Illinois [Mr. FOWLER].

Mr. FOWLER. Mr. Chairman, I had intended to address myself to the consideration of naval affairs, but under the special rule adopted a few days ago for the consideration of this bill the debate is limited to the subject matter of the bill now under consideration, so what I have to say will be confined to it.

The gentleman from New Jersey [Mr. KINKEAD] in his remarks criticized one of the features of the bill—that portion which deals with assistant postmasters of the first, second, and third classes, and which provides that they shall be placed under the competitive classified civil service. Undoubtedly he does not understand the full meaning of this section. I have always had a high regard for him, but from his remarks and his answers to certain questions propounded to him by me and other Members of the House concerning the object of this part of the bill he does not know anything about the question. [Laughter.] He seems to have lost his balance and his respect for Members who prodded him with questions. In his remarks he stated that he was tendered the post office at Jersey City, N. J., by the President, but that he declined it. If he does not know anything more about the duties of a postmaster than he does about the civil service, I am inclined to think that he was justified in declining it.

There are several degrees in the civil service as it has been administered, but the gentleman does not seem to have acquainted himself with them, as he does not seem to know the difference between a half-grown civil-service status and a full-grown status. We have the classified, the nonclassified, the competitive, and noncompetitive classified, and we have the Panama Canal civil-service positions, all of which have a definite

meaning; but the gentleman does not seem to know the difference between them and becomes alarmed at the provisions of this bill dealing with this question.

We have about 2,500 assistant postmasters in the first, second, and third class post offices now, all of whom are not under the civil service; only those who are serving in first and second class post offices are under the civil service. The clerks of first and second class post offices are required to take a competitive civil-service examination, and the majority of the Committee on the Post Office and Post Roads, in their wisdom, have come to the conclusion that assistant postmasters should do likewise. So section 3 of the bill now before us provides that the Postmaster General shall require all applicants for assistant postmasters of the first, second, and third classes, including those now in office who were carried into the service by Executive order heretofore made, to take a competitive civil-service examination within 90 days, or as soon thereafter as may be practicable, after the passage of this act.

This provision does not lessen the force of the civil-service law, but it adds to it and makes it more complete. While I am not in sympathy with the civil-service law because of its tendency to create life tenure in office, which is undemocratic, yet if we are to have a civil-service system in America it should be based upon rules of fairness and equity. A civil service which puts in office men only of one political party for life is most unfair and should not be tolerated by a liberty-loving people; but a civil-service which gives all, regardless of politics, an opportunity to enter a competitive examination, the highest applicant winning the prize, is more equitable. Yet it can not be justified unless there is a limitation placed upon the time of the service.

According to a report I received from the Civil Service Commission, the civil-service positions on June 30, 1912, were divided as follows:

Competitive classified	236,061
Noncompetitive classified	61,388
Unclassified	59,423
Panama Canal	28,191
Total	385,063

On June 30, 1912, by Executive order, President Taft placed 36,332 fourth-class postmasters under the classified civil service, covering in for life all who were then in office without requiring an examination. Soon after President Wilson was inaugurated he, by Executive order, placed all these postmasters under the competitive classified civil service. Had such order not been made the people would have had no chance to change any of the fourth-class postmasters during their lives, except by removal on charges, by death, or by resignation. By President Wilson's order all fourth-class postmasters whose salary is \$180 and more are required to take a competitive civil-service examination except those who have a civil-service status by virtue of the Executive order of President Roosevelt in 1908. Under his order all fourth-class postmasters whose salaries fell below \$500 a year were not required to take a competitive civil-service examination, and wherever vacancies occurred a post-office inspector was sent to the community where the office was located and he selected a man, recommended him to the Post Office Department for appointment, which was usually made. Under this system the Republican administrations have been able to fill not only all fourth-class post offices but all other civil-service positions with Republicans for life.

When this administration came into power we found about 400,000 Federal positions under the civil service, 95 per cent of which were filled by Republicans, and only 5 per cent filled by Democrats. The method by which this unfairness was carried on can not be justified, because it savored of too much politics. What is known as the "spoils system," or "To the victor belongs the spoils," is much more creditable because it is founded upon the principle of reward for political service. A system of civil service which is purely political is a sham and a disgrace. If we can not improve former methods resorted to under the guise of civil service, it would be far better to repeal the law and go back to the old system of giving the Federal positions to faithful party workers. If the civil service is unable to reform former political methods of putting in office men of the dominant party, then there is no virtue in it and its life-tenure feature adds an evil which will rise up in the future like an ungovernable child to plague us, as a menace to a republican form of government. If we keep on, it will not be long until practically all of the Federal positions will be under civil service with life tenure. There are but few left now. Men who now hold these positions claim them as their own the same as if they were chattels. Soon we will find these public servants changing from servants to masters, and we will have a job on our hands then. I feel quite sure that the time will come when



we will see the error of life tenure in these public places, although some of them do have small salaries. I favor a law limiting the number of years which can be held consecutively by anyone in the civil service. We will then not only get rid of the evil of life tenure but we will get better service.

All public servants should be required to answer to some responsible body for the manner in which they have discharged the duties of the positions which they hold. All public offices and all public positions belong to the people, and those who are placed in such places are public servants of the people, and, in my opinion, they should answer directly to the people at stated and definite periods for the discharge of the duties committed to their care in all cases where it is practicable, and, when not practicable, they should answer indirectly to the people through some one or some commission who are elected directly by the people and who have the appointing power. Men who are kept in office for life soon forget the people and become indifferent, arrogant, and dictatorial. Life tenure in office is a relic of imperial government, based upon the false theory that kings can do no wrong and their right to rule is divine. Our Federal judges furnish an example of the evil of life tenure. The conduct of some of them has been so corrupt that they have been impeached, convicted, and thrown out of office in disgrace, while the judges of the States who are elected by the people rarely go astray.

Mr. SAMUEL W. SMITH. Mr. Chairman, as the chairman of the Committee on the Post Office and Post Roads stated this afternoon, the position of the Post Office Department with reference to the railway mail pay is clearly set forth in this bill. After I addressed the committee this afternoon some one asked me to state the position of the railroads with reference to this bill. I hold in my hand a letter, of which I suppose every Member of the House received a copy, addressed to the chairman of the committee by Ralph Peters, chairman of the committee on railway mail pay, dated July 1, this year, and without objection I will ask the Clerk to read it.

The CHAIRMAN. Without objection, the letter will be read.

Mr. MOON. What is that which is going to be put in the Record?

Mr. LLOYD. He is going to have a letter read in his own time.

The Clerk read as follows:

COMMITTEE ON RAILWAY MAIL PAY,  
New York, July 1, 1914.

Hon. JOHN A. MOON,  
Chairman Committee on the Post Office and Post Roads,  
House of Representatives, Washington, D. C.

MY DEAR SIR: The Committee on Railway Mail Pay, representing 264 railroads, operating 218,000 miles of line in the United States, has been urged by the presidents and other executive officers of the railroads throughout the country to appeal to you and through you to the representatives of the people in Congress assembled for fair treatment in fixing any basis of compensation for the handling of the mails.

A personal effort was made by members of this committee to secure from you a hearing on the bill recently introduced in Congress by your committee, but without success; therefore we submit this open letter.

We desire to protest against the method of paying the railroads for the valuable service rendered the Government, as contemplated in House bill No. 17042.

Our first and logical reason for making this protest to you is that this question is now pending before a joint congressional committee, which has had the whole subject under most careful consideration continuously for more than two years, and has announced that it is about ready to make its report. The introduction of bill No. 17042, in effect, forestalls the report of this joint committee and commits Congress before the results of that investigation are made known.

The joint committee of Congress is a bipartisan body, and the Post Office Department has had the fullest opportunity of presenting the views of its officials before it, many of them having appeared as witnesses. The railroad companies have been called upon at great expense to furnish complete detailed information regarding their mail service, and the evidence introduced, occupying 12 volumes, is thought to embody the most complete and exhaustive testimony that has ever been collected on the subject. The passage of House bill No. 17042 would practically ignore the action of your own joint committee.

This is the fourth bill which the Post Office Department has framed and recommended on this subject within the past two years, each differing materially from the others.

Its first notable announcement was that, upon the basis of the statistics which it had published, the railroads of the country were overpaid \$9,000,000 per year for carrying the mails, a conclusion reached by excluding from the consideration of cost any return upon the capital used and employed by the companies in conducting the mail service. So glaring was this error that the department was compelled to rectify it and modify its claim of overpayment down to \$221,000 in testimony before the joint congressional committee.

The proposed bill will, in our opinion, reduce the compensation of the railroads for carrying the mails several million dollars annually, while we are now underpaid at least \$15,000,000 per year for the service we render.

The compensation for carrying the mails on the basis of weight and distance has shown a large growth, due to the reweighing in two sections of the country. The appropriation bill adopted in March, 1914, provides for this growth, but House bill No. 17042 makes a basis that will produce several million dollars less pay than has been provided in that appropriation bill.

There are two sections of the country where the mails have not been weighed since the parcel post was introduced, and it is inconsistent to make a new basis of pay that will not fully provide for

the large growth of the mails in those sections. Furthermore, there has been a very large increase in the weights of mail in the first section that was weighed after the inauguration of the parcel post, and no allowance has been made for that service.

If the proposed new basis of pay has been figured out at rates that will produce approximately the compensation paid under the weight basis, the rates should not be adopted until the weights and compensation for same have been ascertained for the entire country by a simultaneous weighing in all sections.

When the parcel-post legislation was enacted and the railroads petitioned the department for a weighing so that they might secure full compensation for carrying this greatly added volume of traffic on their passenger trains the answer given by the department was "Wait until the congressional committee makes its report."

The railroad companies do not favor the adoption of any space basis for ascertaining what is proper compensation for carrying the mails. The mails are freight, and they are becoming more and more so as the weight of the parcel post increases and the Government enters more and more into competition with the railroads in the carriage of commercial freight.

Space in cars under complete control of officials of the Post Office Department as a basis of payment for this service is an anomaly; it will not fit your mail service, and in our opinion it will tend to the reduction of facilities and general inefficiency.

In this service the Government is a shipper, and no other shipper demands the right to fix his own rates. It uses the facilities of the companies in competing with their own service, and in view of the published intimations of greatly added revenue from the carriage of parcel post common fairness would seem to demand that the railroad companies should be permitted to share in the increased revenues that the Government collects from the people for the use of these facilities.

The wiser policy, it seems to us, will consist in modifications and improvements of the existing system, based, as that system is, upon the method of compensating railroads for carrying freight that is universally recognized as sound; such modifications to be an annual weighing of the mails, payment for the use and haulage of apartment post-office cars, relief from the messenger service, and other reforms.

We have no means of knowing what the report of the joint congressional committee will be, nor what basis of mail pay it will recommend, but we feel that we can nevertheless consistently urge that no action upon this very important subject, involving such radical departures from existing law and practice, be taken without at least having the complete testimony giving the reasons for the position taken by the railroads, as well as the conclusions of your joint committee laid before Congress.

Knowing that Congress appreciates the fact that the railroads are a vital and necessary part of the life and prosperity of the country, and therefore entitled to fair treatment and full compensation for the valuable and indispensable services they perform for the people, we, the operating men, who are responsible for the daily workings of these great arteries of traffic, respectfully ask that you consider their side of the question, as well as that of the Post Office Department, before you reach your conclusions. The people are fair, and we believe their representatives desire to be so. House bill No. 17042 is not fair.

Respectfully,

COMMITTEE ON RAILWAY MAIL PAY,  
By RALPH PETERS, Chairman.

(Representing 264 railroads operating 218,000 miles of line in the United States.)

Mr. SAMUEL W. SMITH. Mr. Chairman, as I understand it, the letter which has just been read expressed the views of the railroads with reference to the pending legislation at the time the letter was written—July 1. I have received no information in the way of a letter or public document as to what their views are since the Committee on the Post Office and Post Roads have submitted additional amendments to the bill which will increase the pay of the railroads, as I understand, about \$3,000,000, and doubtless no other Member of Congress has received any further information.

Mr. MOON. Mr. Chairman, I will say that the railroads did not ask for any hearing from the committee, as stated in that letter, until long after this bill was reported to the House. Heretofore they have had very ample hearings upon that question before the committee and also a very lengthy hearing before the joint committee of the two Houses on the subject. They have been fully heard all along, and their purpose is nothing but delay.

Of course, if this matter is postponed until there can be a report from the joint committee, there can be no legislation enacted at this session. That seems to be the only purpose. The statements contained in the letter as to the losses to the railroads are such that I am obliged to enter my protest against them as statements of fact, in the light of the knowledge that is before the committee.

Now, Mr. Chairman, I want to yield to the gentleman from Indiana [Mr. Cox] 15 minutes.

The CHAIRMAN. The gentleman from Indiana [Mr. Cox] is recognized for 15 minutes.

[Mr. COX addressed the committee. See Appendix.]

Mr. MOON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, and had come to no resolution thereon.



## LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. WATKINS, indefinitely, on account of sickness in his family.

To Mr. MAHER, for 10 days, on account of sickness in his family.

## SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S 4966. An act proposing an amendment to section 19 of the Federal reserve act relating to reserves, and for other purposes; to the Committee on Banking and Currency.

## REPRINT OF A BILL.

Mr. MOON. Mr. Speaker, I ask unanimous consent that the bill now pending, H. R. 17042, may be printed with committee amendments.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the bill now pending be printed with committee amendments.

Mr. MANN. The gentleman means certain amendments which the committee have agreed to present.

Mr. MOON. Yes; certain amendments that are to be proposed by the committee.

Mr. MANN. They will be printed in italics, so that we will know what is new.

Mr. MOON. Yes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the bill H. R. 17042 be printed with the proposed amendments, and that they be printed in italics. Is there objection?

There was no objection.

## EXTENSION OF REMARKS.

Mr. MOON. Mr. Speaker, I ask unanimous consent that all gentlemen who discuss this bill may have permission to extend their remarks in the Record.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that all Members who speak on the bill have leave to extend their remarks in the Record. Is there objection?

There was no objection.

Mr. FOWLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on naval affairs.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the Record on naval affairs. Is there objection?

There was no objection.

## DEATH OF MRS. WOODROW WILSON.

Mr. UNDERWOOD. Mr. Speaker, it is my sad duty to announce to the House the death of Mrs. Wilson, the wife of the President of the United States. I think the House wishes to show a proper mark of respect at this time, and I therefore move the adoption of the resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

## House resolution 586.

Resolved, That the House has heard with profound sorrow of the death of Mrs. Woodrow Wilson, the wife of the President of the United States.

Resolved further, That a committee of the Speaker and one additional Member for each State in the Union be appointed to attend the funeral.

Resolved, That as a mark of respect the House do now adjourn.

The resolution was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House adjourned until to-morrow, Friday, August 7, 1914, at 12 o'clock noon.

## EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of Commerce, requesting that an item of legislation be inserted in any appropriation bill reported from the Committee on Appropriations during the present session of Congress, authorizing the employment of personal services in the District of Columbia and in the field in the service of the Bureau of Standards (H. Doc. No. 1139), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. WEBB, from the Committee on the Judiciary, to which was referred the bill (S. 3550) ratifying the establishment of

the boundary line between the States of Connecticut and Massachusetts, reported the same with amendment, accompanied by a report (No. 1077), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SIMS: A bill (H. R. 18253) increasing the pay of letter carriers in the Rural Delivery Service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18254) authorizing the Secretary of War to donate two condemned cannon to the town of Beacon Falls, Conn.; to the Committee on Military Affairs.

By Mr. HENRY: A bill (H. R. 18255) to provide for temporary loans of Federal reserve notes to producers of agricultural products; to the Committee on Banking and Currency.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18256) granting a pension to Euphrates Huff; to the Committee on Pensions.

Also, a bill (H. R. 18257) granting an increase of pension to John S. Mays; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18258) granting an increase of pension to William H. Myers; to the Committee on Invalid Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 18259) for the relief of A. J. Collett; to the Committee on War Claims.

Also, a bill (H. R. 18260) for the relief of L. D. Corrick; to the Committee on War Claims.

By Mr. CARLIN: A bill (H. R. 18261) for the relief of the legal representatives of the estate of Charles E. Mix; to the Committee on War Claims.

By Mr. FRENCH: A bill (H. R. 18262) for the relief of E. de Atley & Co.; to the Committee on War Claims.

By Mr. GOOD: A bill (H. R. 18263) granting an increase of pension to John G. Hibbs; to the Committee on Invalid Pensions.

By Mr. HUGHES of West Virginia: A bill (H. R. 18264) for the relief of heirs of J. A. Reece; to the Committee on War Claims.

By Mr. HULINGS: A bill (H. R. 18265) granting an increase of pension to Edward Fitzpatrick; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18266) granting an increase of pension to Theresa J. O'Donnell; to the Committee on Invalid Pensions.

By Mr. LEE of Georgia: A bill (H. R. 18267) for the relief of the trustees of Cassville Female College, Cassville, Ga.; to the Committee on War Claims.

Also, a bill (H. R. 18268) for the relief of the trustees of Pea Vine Church, Walker County, Ga.; to the Committee on War Claims.

Also, a bill (H. R. 18269) for the relief of New Hope Baptist Church, of Bartow County, Ga.; to the Committee on War Claims.

Also, a bill (H. R. 18270) for the relief of the trustees of Pea Vine Academy, Walker County, Ga.; to the Committee on War Claims.

By Mr. MCGILLICUDDY: A bill (H. R. 18271) granting an increase of pension to Mary E. Beal; to the Committee on Invalid Pensions.

By Mr. MOON: A bill (H. R. 18272) for the relief of the trustees of the Boiling Fork Baptist Church, of Cowan, Tenn.; to the Committee on War Claims.

By Mr. PATTON of Pennsylvania: A bill (H. R. 18273) granting an increase of pension to Samuel P. Davison; to the Committee on Invalid Pensions.

By Mr. RAUCH: A bill (H. R. 18274) granting an increase of pension to John Bowles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18275) granting a pension to Ella Brannen; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 18276) granting an increase of pension to Livinia E. Kirkpatrick; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18277) granting an increase of pension to Lydia A. Lint; to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 18278) for the relief of Squire Simes; to the Committee on War Claims.



## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALLEN: Petitions of 154 citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on Rules.

By Mr. GREENE of Vermont: Petition of Edward M. Day and other citizens of the first congressional district of Vermont, favoring national prohibition; to the Committee on Rules.

By Mr. PAIGE of Massachusetts: Petition of 18 citizens of Clinton and 6 citizens of Fitchburg, Mass., favoring national prohibition; to the Committee on Rules.

Also, evidence in support of House bill 18215, a bill for the relief of Susan A. Thompson; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: Petition of citizens of Laporte and Bellvue, Colo., favoring national prohibition; to the Committee on Rules.

## SENATE.

FRIDAY, August 7, 1914.

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

Our heavenly Father, we stand speechless to-day under the shadow of a national sorrow. In the departure of the companion of our Chief Executive we are led by a way that we knew not and suffer a great grief we looked not for. But we can not doubt the wisdom of Thy mysterious providence. Thy purposes are hid from us, but Thou art the same merciful Lord who doth not afflict willingly nor grieve the children of men. Give us the spirit of humble submission to Thy divine ordering, and may the consolations of Thy grace be given to Thy servants in the grief-stricken home. May they be strengthened by that blessed hope that cometh from above and by the devotion and sympathy in the hearts of all our people. We ask it for the Redeemer's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	O'Gorman	Smoot
Brady	Johnson	Overman	Stone
Bristow	Jones	Page	Swanson
Bryan	Kenyon	Perkins	Thomas
Burton	Kern	Pittman	Thompson
Camden	Lane	Pomerene	Thornton
Catron	Lea, Tenn.	Reed	Tillman
Chamberlain	Lee, Md.	Saulsbury	Vardaman
Clark, Wyo.	McCumber	Shafer	Walsh
Culberson	Martin, Va.	Sheppard	Weeks
Cummins	Martine, N. J.	Shively	West
Fall	Myers	Simmons	White
Gallinger	Nelson	Smith, Ga.	Williams

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN], and to state that he is paired with the senior Senator from Florida [Mr. FLETCHER]. I wish this announcement to stand for the day.

Mr. GALLINGER. I was requested to announce that the Senator from West Virginia [Mr. GOFF] is necessarily absent, and that he is paired with the Senator from South Carolina [Mr. TILLMAN]. I wish also to announce that the junior Senator from Maine [Mr. BURLEIGH] is absent on account of a death in his family, and that he is paired with the junior Senator from New Hampshire [Mr. HOLLIS].

Mr. WHITE. I wish to announce the absence of my colleague [Mr. BANKHEAD], and to state that he is necessarily absent from the Senate and is paired. This announcement may stand for the day.

Mr. PAGE. I desire to announce the unavoidable absence of my colleague [Mr. DILLINGHAM], and to state that he is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent, and that he is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I will let this announcement stand for the day.

I also desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent on account of illness.

Mr. MARTINE of New Jersey. I was requested to announce the absence, on official business, of the Senator from West Virginia [Mr. CHILTON], and also to state that he is paired with

the Senator from New Mexico [Mr. FALL]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 4966) proposing an amendment to section 19 of the Federal reserve act relating to reserves, and for other purposes.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. ADAMSON, Mr. SIMS, Mr. COVINGTON, Mr. STEVENS of Minnesota, and Mr. ESCH managers at the conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4628) extending the period of payment under reclamation projects, and for other purposes.

## ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 4969. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5278. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5501. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5899. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

## PERSONAL STATEMENT.

Mr. WILLIAMS. Mr. President, I rise to a statement of personal privilege.

There never is any excuse for a grown man when he loses his temper, and nothing can be said in justification of it; but sometimes something may be said in extenuation. I shall not even attempt the latter task.

Two or three days ago I was much angered by this outbreak of senseless war, setting all Europe aflame, and feeling mad all over, down to the very bottom of my shoes, and somewhat sick and irritable, too, I lost my temper; and about the only excuse for it is voluntarily to mention the fact.

What I did I intended to do deliberately and I intend to persist in it, because of the variance of opinion between a majority of the committee and myself as to the immediacy of the emergency that is resting upon us. That variance is so great that I can not serve upon the committee in justice to myself. But there was no sort of excuse at all for my going any further than merely asking to be relieved from duty on the committee. What I did seems to me justified, but my manner of doing it was not.

I realize that I ought not to have used some rather strong adjectives which I did use. I was very much pleased to pick up the RECORD the next day, which was brought to me while I was in bed sick, and to see the very kind words that were uttered concerning me by the senior Senator from Missouri [Mr. STONE]. I regret as much as he does to part service and company with the members of a committee upon which I have tried to do good work, and upon which I have seen a great many others do good work. But it did not seem to me that it was necessary to take seven days or to refer to a subcommittee the proposition to express the judgment of the Senate that we sympathized with the President in any effort he might make for universal peace. I felt that that ought not to have required seven minutes. I felt then and I feel now that of itself forms a breach of opinion between me and the majority of the committee that is simply unbridgeable. But I want to say there was no excuse for one to lose his temper. When one loses his temper one loses his head. The chief person to regret it is myself. That goes without saying. It is the first time in a long